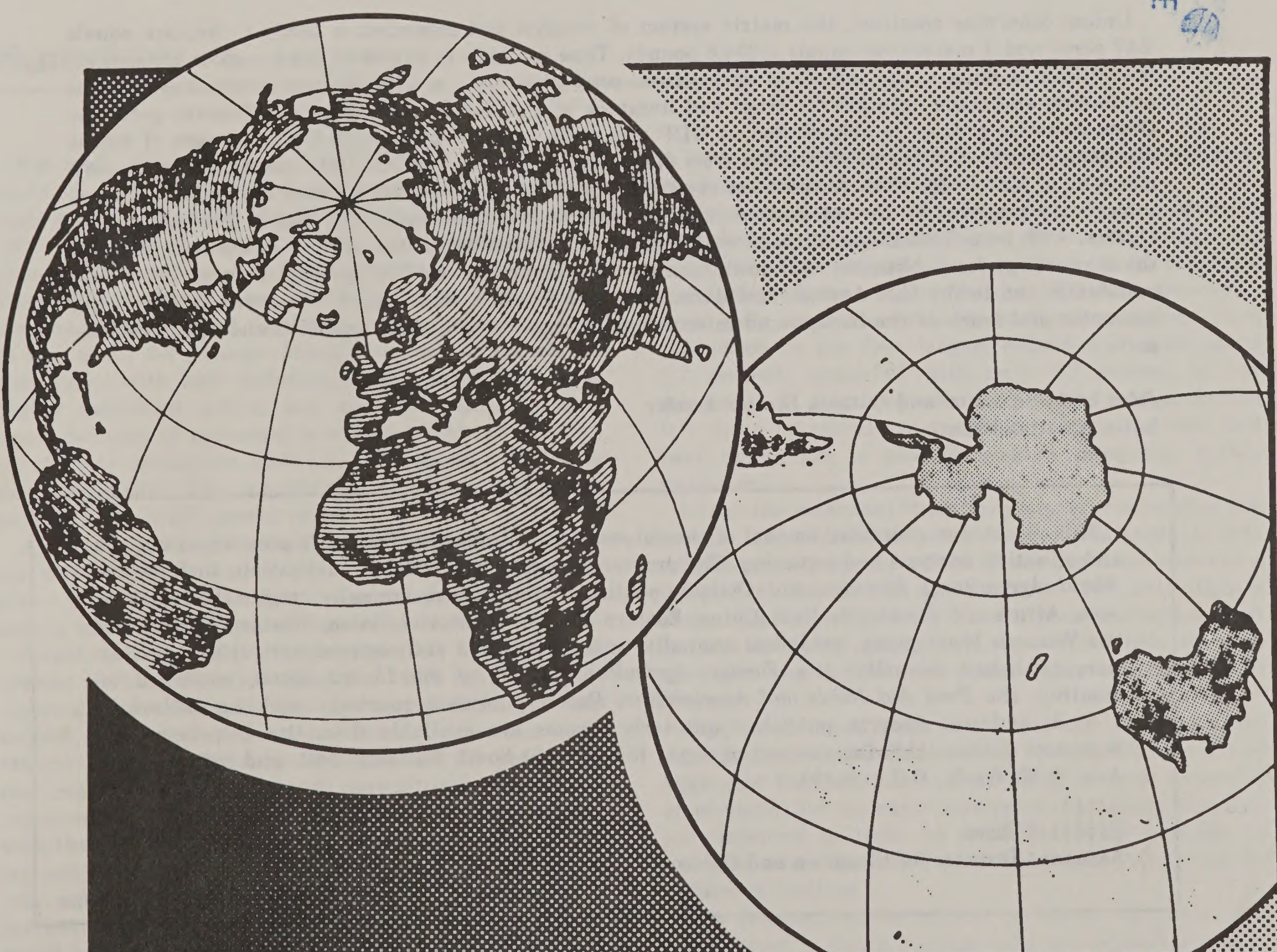
United States Department of Agriculture

Economics and Statistics Service

Supplement 5 to WAS-24

Agricultural Situation: Western Hemisphere

Review of 1980 and Outlook for 1981



Western Hemisphere Agricultural Situation, Review of 1980 And Outlook For 1981. Latin America Branch, International Economics Division, Economics and Statistics Service, Supplement No. 5 to WAS-24 approved by the World Food and Agricultural Outlook and Situation Board.

Abstract

Aggregate 1980 agricultural production in Latin America was 3 percent higher than in 1979 and 5 percent above the long term trend. Nevertheless, the gains in 1980 appear to be unequally distributed. Latin American exports had a mixed year with sugar, cotton, and banana prices higher than in 1979 and coffee, meat, and cocoa bean prices lower. Shipments of wheat, cotton, and coffee increased while those of corn, sugar, bananas, and beef dropped. U.S. farm exports to the region reached a record of $6.2 billion, up 68 percent from 1979. U.S. agricultural imports from the region increased slightly to $7.3 billion.

KEYWORDS: Western Hemisphere, Latin America, production, exports, imports, agricultural products, agricultural situation.

Foreward

This review of the Agricultural Situation in the Western Hemisphere supplements the 1980 World Agricultural Situation reports, WAS-22 to WAS-24. Western Hemisphere, as used in this report, includes Canada, Mexico, the Caribbean Islands, Central America, and South America; it excludes the United States and Puerto Rico.

Unless otherwise specified, the metric system of weights and measures is used: 1 hectare equals 2.47 acres and 1 metric ton equals 2,204.6 pounds. Time periods are calendar years, values are denominated in U.S. dollars, and indices of agricultural production have a 1969-71 base period. Agricultural production and trade data are for crops and livestock and do not include fishery or forestry products. Gross domestic product is abbreviated as GDP and gross national product as GNP. Because of recent revisions, data in this report may differ from data used in previous reports. Data reflect the latest estimates as of March 31, 1981. Authors are shown at the end of each country section. Statistical data and tables were prepared by Deveta Eatmon, ably assisted by Emily Stillmun and Sharon Prather. Norma Duarte, with help from Linda Mitchell and Bernadine Holland, typed the various drafts and prepared the manuscript for publication. Acknowledgement is extended to the Foreign Agricultural Service for assistance, and to the U.S. Agricultural Attaches in the Western Hemisphere who provided commodity estimates and much of the background information through their annual situation and commodity reports.

John Link, Situation and Outlook Section Leader
Latin America Branch

This report was generated as part of the International Economics Division's program of outlook and situation analysis and reporting. The program's regularly scheduled publications include: the *World Agricultural Situation and Outlook*, published three times annually; regional reports on Asia, Africa and the Middle East, China, Eastern Europe, the Soviet Union, Western Europe, and the Western Hemisphere, published annually; indices of world and regional agricultural production, published annually; the *Foreign Agricultural Trade of the United States*, published bimonthly; the *Food Aid Needs and Availabilities Report*, published quarterly; and the *Outlook for U.S. Agricultural Exports*, published quarterly. Copies are available from the Economics and Statistics Service, U.S. Department of Agri., Room 0054 South Building, 14th and Independence Ave., S.W. Wash., D.C. 20250.

Patrick O'Brien
Assistant Director for Situation and Outlook

In This Issue

	Page
Summary	3
Canada	7
Mexico	9
Caribbean	
Greater Antilles	
Cuba	11
Dominican Republic	12
Haiti	13
Jamaica	13
Eastern Caribbean	
Barbados	14
French West Indies	15
Leeward and Windward	15
Trinidad/Tobago	16
Other Caribbean Islands	16
Central America	
Costa Rica	16
El Salvador	17
Guatemala	18
Honduras	18
Nicaragua	19
Panama	19
South America	
Argentina	20
Bolivia	22
Brazil	23
Chile	25
Colombia	26
Ecuador	27
Guyana	28
Paraguay	29
Peru	29
Surinam	31
Uruguay	31
Venezuela	33

Summary

For most of the Western Hemisphere countries, 1980 could be characterized as a poor year. Only 9 countries registered GDP growth rates that were higher than in 1979. The GDP for Latin America as a whole increased about 5 percent, compared with nearly 6 percent in 1979. Population growth, although continuing at a high rate, appears to have slowed slightly, enabling per capita GDP to rise about 2.4 percent. Many countries in the region were faced with high inflation, rising import bills from higher petroleum prices, and unstable political situations. Because of increased investment and the opening up of many economies, however, the outlook for 1981 is more optimistic. The majority of countries will likely achieve hgher GDP growth rates.

Aggregate 1980 agricultural production in Latin America was 3 percent higher than in 1979 and 5 percent above the long-term trend. Nevertheless, the gains among and within countries appear to be unequally distributed. For the 25 countries reported, 10 registered greater farm production than in 1979, while only 8 reported improvements in per capita production. The four largest countries—Argentina, Brazil, Colombia, and Mexico—which account for approximately 70 percent of the region's population and agricultural production, experienced a 4-percent increase in agricultural output, with the crop and livestock sectors increasing 4.3 and 3.2 percent, respectively. In the remaining 21 countries, total agricultural output decreased on the average by 0.7 percent (2 percent on a per capita basis). The situation would have been worse if it were not for the sharp jump in livestock production, led by poultry, which offset disastrous conditions in the crop sector.

Although total Latin American food production increased to an all-time high, per capita production remained about constant. In only 11 of the 25 countries was food production higher than in 1979. On a per capita basis, only seven countries reported improvements. Food production in the four largest countries climbed about 4.7 percent, compared with only 1.3 percent in the remaining 21 countries where per capita food producton fell about 1.4 percent. Aggravating this is the fact that food production is also distributed unequally within countries.

Given the weakened financial position of several of the poorest Latin American countries, food aid needs in 1981 will be roughly equal to 1979. These countries reported a 3.5 percent rise in food production in 1980, only slightly above population growth. This higher production plus imports at 1979's 3.8 million tons, will enable them to maintain per capita food consumption at the 1977-79 average.

Crop production plays an important role in Latin American agriculture, accounting for about 65 percent of aggregate farm output and providing a major source of employment for the rural population. Aggregate crop output improved in 1980: 33 crops, including 8 of the 12 principal crops, increased production over 1979, while 35 registered declines.

The livestock sector makes up about 35 percent of farm output in Latin America and has expanded rapidly

Table A.—Percentage of total Latin American production by country/regions for selected commodities 1980

Commodity	Argentina	Brazil	Mexico	Caribbean[1]	Central America[2]	South America[3]	Total[4]
				— Percent —			
Corn	15	47	24	1	6	8	100
Rice	2	63	2	5	3	26	100
Wheat	53	18	18	—	—	10	100
Sorghum	34	—	38	2	4	21	100
Potatoes	15	19	9	2	1	54	100
Cotton	9	32	20	1	16	22	100
Soybeans	19	75	2	—	—	5	100
Cassava	—	80	—	2	—	18	100
Sugar (raw)	7	32	11	31	7	13	100
Bananas	—	30	12	6	22	30	100
Coffee	—	41	7	4	17	31	100
Beef & Veal	33	26	12	3	5	21	100
Poultry	8	50	16	4	—	22	100
Cocoa Beans	—	58	6	8	3	25	100
All Crops	13	35	17	7	8	20	100
Livestock	25	18	21	6	7	24	100
Total	16	29	18	7	7	23	100

— = zero or negible products
[1]Barbados, Cuba, Dominican Republic, Haiti, Jamaica, and Trindad and Tobago.
[2]Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.
[3]Excludes Argentina and Brazil.
[4]Totals not equal to 100 percent due to rounding.
Source: Tables 4, 5, and Production Indices.

Table B.—Percentage change in production between 1979 and 1980 for selected commodities and country/region.

Commodity	Argentina	Brazil	Mexico	Caribbean[1]	Central America[2]	South America[3]	Total
				—Percent—			
Corn	(29)	24	11	3	12	(14)	5
Rice	(13)	27	(24)	4	3	9	(15)
Sorghum	(55)	—	65	—	9	8	(20)
Wheat	(3)	(9)	(16)	—	1	(15)	(3)
Soybeans	(3)	47	(59)	—	—	26	(31)
Potatoes	(7)	(10)	(10)	3	—	(4)	(6)
Cassava	(9)	(1)	—	6	—	5	1
Sugar	(23)	18	5	(4)	19	(3)	6
Cotton	(8)	7	1	—	12	9	5
Coffee	—	(2)	—	26	—	(1)	—
Cocoa	—	17	6	(15)	—	5	9
Bananas	—	9	25	(18)	(10)	2	2
Poultry	9	26	15	2	—	14	20
Beef & Veal	(8)	5	3	6	(2)	5	6
All Crops	(12)	12	6	1	(3)	(2)	3
Livestock	(5)	10	6	8	(3)	(10)	4
Total	(9)	11	6	1	1	2	3

— = no change
( ) = a decline
[1]Barbados, Cuba, Dominican Republic, Haiti, Jamaica, and Trindad and Tobago.
[2]Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.
[3]Excludes Argentina and Brazil.
Source: Tables 4, 5, and Production Indices.

in recent years. One of the main factors has been the strong growth in poultry and pork production.

As always, one of the main factors behind agricultural performance in Latin America is weather; 1980 was no exception. Drought affected production in Colombia and Peru, while a mix of dry and wet weather hurt output in Argentina, Chile, and Bolivia. Venezuela had excessive rains, while the Caribbean suffered from Hurricane Allen. Good weather increased production in Ecuador, Mexico, Paraguay, and Uruguay, while excellent weather pushed Brazilian output to record levels.

Government involvement in the agricultural sector has been changing markedly in recent years. Argentina, Chile, Colombia, Paraguay, Peru, Uruguay and Venezuela have all shifted toward more free market conditions. Mexico, on the other hand, is experiencing a renewed and increasing interest in Government participation in the agricultural sector. Mexico will likely develop some new and interesting approaches to agricultural development and food problems. There is growing interest in many countries, especially Brazil and Colombia, concerning the use of agricultural commodities as alternative sources of energy. In the Central American region, there is increased interest in agrarian reform.

Latin American exports had a mixed year during 1980. Countries exporting sugar, cotton, and bananas all benefited from higher world prices. Prices were down for the other major exports—coffee, meat, and cocoa beans. Volume of wheat, cotton and coffee exports were up, while corn, sugar, bananas and beef shipments were lower.

U.S. agricultural exports to Latin America increased 68 percent in 1980 to a record $6.2 billion, about 15 percent of total U.S. farm exports. Larger grain shipments caused U.S. agricultural exports to Mexico, Nicaragua, Chile and Peru to more than double in value. Haiti, Trinidad/Tobago, Costa Rica, Guatemala, and Honduras also registered significant increases in imports from the United States.

U.S. shipments of grains and preparations to Latin America were valued at $3.2 billion, an 84 percent jump over 1979. Much of this increase went to Mexico and the Andean region. Rising feed demand and low production were the main reasons for the increase. U.S. shipments to the Andean region also increased because the region's traditional supplier, Argentina, shifted its sales to the Soviet Union to gain higher prices. Feed grain exports from the United States amounted to $1.8 billion; wheat and products, $1.3 billion; and rice, $124 million.

U.S. exports of oilseeds, meal, and oil increased 50 percent in value to $1 billion. Oilseed exports, of which 1.1 million tons were soybeans, increased 127 percent to $438 million. In addition, the United States exported 838,000 tons of oilmeals and 565,000 tons of oils.

U.S. agricultural imports from Latin America increased 4.2 percent in 1980 to a record $7.3 billion. Brazil, the largest single Latin American supplier of U.S. farm imports, increased its share 33 percent to $2 billion.

Coffee, the most important import from Latin America, declined to $3.6 billion as both volume and prices dropped. Sharply higher sugar prices offset lower import volumes as value reached $1.4 billion. The value of U.S. meat imports from Latin America fell about 25 percent to $223,000 as both volume and prices declined.

Table C.—U.S. farm exports to and imports from Latin America, 1979 and 1980.

Country/Region	1979	1980	Change
	—Million dollars—		—Percent—
Argentina			
Exports	36	50	40
Imports	284	305	7
Balance	(248)	(255)	3
Brazil			
Exports	536	680	27
Imports	1,503	2,019	34
Balance	(967)	(1,338)	38
Mexico			
Exports	1,024	2,490	143
Imports	1,229	1,059	(14)
Balance	(206)	1,431	—
Caribbean[1]			
Exports	600	736	23
Imports	512	577	13
Balance	88	159	81
Central America[2]			
Exports	267	408	53
Imports	1,573	1,579	0
Balance	(1,306)	(1,171)	10
South America[3]			
Exports	1,222	1,808	48
Imports	1,860	1,715	(8)
Balance	(638)	93	—
Total Latin America			
Exports	3,684	6,172	68
Imports	6,962	7,255	4
Balance	(3,278)	(1,083)	67

— = does not apply
( ) = Negative U.S. balance of agricultural trade.
[1]Barbados, Cuba, Dominican Republic, Haiti, Jamaica, and Trinidad and Tobago.
[2]Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.
[3]Excludes Argentina and Brazil.
Source: Tables 9 and 10.

Canada

Although Canada's overall economic entry into the 1980's was marked by one of its poorest performances in two decades, the agricultural sector performed fairly well. Timely late summer rains alleviated poor crop and pasture conditions.

Grain production in 1980 was only slightly below average because higher area offset lower yields. Grain exports set records for the second consecutive year, and stocks were drawn down to unusually low levels. Oilseed production was down sharply because of low yields and an area decline, but large inventories persist due to the record high carryin and low export demand. Farmers will probably increase 1981 grain area planted by 5 to 10 percent as they switch even more land from oilseed and summer-fallow wheat and barley.

The cattle cycle began an expansion phase in 1980, following four years of decline. Hog numbers, pork production, and exports reached record highs.

Mexico

Mexico's oil-based economic boom continued for the third straight year as GDP grew by 7 percent. Inadequate transportation continued to cause problems. High domestic demand resulted in a current account deficit that was more than offset by capital inflows—a result of foreign investors' continued confidence.

Improved weather in the second half of 1980 boosted total agricultural production 6 percent above 1979's disastrous harvest. Significant improvement occured in grains, with corn, sorghum, and wheat production up sharply. Oilseed production was down nearly 25 percent because limited water supplies severely curtailed planting activity and hot, dry weather reduced yields. Livestock production continued to expand in response to increased demand for meat by Mexico's rising middle class.

Agricultural production problems and increased demand prompted the Government to launch a 5-year plan to achieve self-sufficiency in basic agricultural commodities.

The United States continued to be both Mexico's main market and supplier for farm commodities in 1980. U.S. imports from Mexico fell 14 percent because of lower coffee imports. Mexico was the United States' second customer for agricultural commodities in 1980 because of sharp increases in grain, soybeans, pulses, and sugar exports.

Central America

The GDP growth of the Central American countries is estimated at about 4.2 percent for 1980. Increasing violence throughout the region led to declining investments, capital flight, and production disruptions in most countries. These problems show no signs of abating, dampening expectations for 1981.

Agricultural production improved slightly in 1980, even though Costa Rica and Nicaragua were the only two countries reporting larger production than in 1979. However, production for the region was still below 1978. Sugar was the only major export crop to show improvement. Bananas, coffee, cotton, and beef and veal decreased.

Caribbean

The economic performance of the Caribbean was generally good in 1980, with GDP increasing about 4 percent. However, rising oil prices and higher debt service charges constrained most contries imports.

While total agricultural production was slightly larger than 1979, only Cuba and the Dominican Republic reported increased output. All countries were plagued by natural disasters or plant and animal diseases that caused reduced exports. Given the weakened financial position and inadequate food production of the poorest countries, 1981 food import need will be higher and more food aid will be required to maintain per capita consumption at 1977-79 levels.

Argentina

The Argentina economy experienced turbulence and general stagnation in 1980. Government policies aimed at reducing inflation and increasing the efficiency of domestic industries produced an epidemic of bankruptcies among financial institutions, crippling indebtedness among manufacturers and agricultural producers, and the first negative trade balance in 5 years.

Adverse weather exacerbated agricultural policy pressures, resulting in diminished output. Producers faced rising competition from imports and were priced out of many foreign markets by an unfavorable exchange rate policy. Low crop yields and high interest rates left many farmers unable to meet cash operating expenses. The Government responded with debt refinancing schemes and the removal of taxes on agricultural production, but refrained from altering the exchange rate schedule.

The outlook for 1981 is uncertain. Bumper crops are forecast, and grain and oilseed producers are optimistic; the exchange rate, however, seriously threatens exports of crops other than grains and oilseeds.

Brazil

Although Brazil's GNP grew 8.5 percent, the economy faced inflation and a negative balance of payments. To meet these problems, the Government encouraged farm exports and initiated a gasohol program to cut the cost of petroleum imports.

Favorable weather, good prices, and production incentives made 1980 the most productive agricultural year in Brazil's history. Output is estimated to have increased over 11 percent. Corn and rice production were the highest ever, and soybean production was up 50 percent. Coffee, cocoa, and sugarcane harvests began showing the results from planting programs of the past 6 years. The only disappointing aspect was the wheat crop, which was down 8.8 percent.

Other South American Countries

GDP growth in other South American countries was mixed in 1980; the average increase was about 3.5 percent. Paraguay registered the strongest improvement because of the activities of the Itaipu energy project, while Venezuela showed no growth; Guyana reported a decline. In the other countries, growth rates fell because of political uncertainties (Bolivia, Surinam), economic policies (Ecuador), and increased import competition (Chile, Uruguay). Although GDP growth was slightly lower than 1979, Peru continued to recover from the 1976-78 recession. The financial situation of most countries was good.

Agricultural performance was mixed in 1980, averaging about a 2.1 percent increase. Production of wheat, rice, corn, beans, cotton, and coffee was lower in 1980. Output of potatoes, soybeans, cassava, bananas, beef and veal, pork, and milk was higher, while sugar production was about the same as 1979. U.S. agricultural exports to the region were up nearly 50 percent, while imports from

the region were about 7.8 percent lower. The United States continued to be a major supplier of agricultural goods to Ecuador, Guyana, Surinam, and Peru.

Low world prices for several important agricultural exports such as coffee and cocoa as well as government policies and poor weather combined to affect the exports of many of these countries. For the first time Peru was forced to import sugar because of low production. On the other hand, Uruguay regained its traditional status as a net grain exporter, despite an adverse government exchange rate policy. (John E. Link)

CANADA

Canada's economic entry into the 1980's was marked by one of the poorest performances in two decades. Real economic growth was less than 1 percent in 1980, and 11-percent inflation was a significant increase over 1979's 9.1 percent. Food prices rose 10.5 percent. Unemployment increased from 7.6 percent in 1979 to 8.2 percent in 1980. The Canadian dollar's exchange rate dropped from US $0.85 in January 1980 to US $0.83 by the end of the year, nearly the lowest rate on record.

Canada's foreign trade sector performed well in 1980. The balance of payments in merchandise trade increased to $5.6 billion from $3.8 billion in 1979. The larger surplus in merchandise trade consisted mostly of agricultural products and natural resources, such as natural gas, minerals, and forest products.

Prospects for the Canadian economy in 1981 are not bright. Real GNP growth is expected to register a scant percent increase over 1980—well below the economy's medium-term growth potential of 3-4 percent. Inflation, high interest rates, slower export growth, the ongoing federal-provincial controversy over political relationships, inter-provincial trade, and energy policy are factors that will constrain the economy during 1981.

Total farm cash receipts were up 12 percent from 1979. The value of 1980 agricultural exports increased 37 percent to C$8.2 billion whereas agricultural imports held steady at the 1979 level of C$4.7 billion, resulting in a positive balance in agricultural trade of C$3.5 billion.

Canadan grain and oilseed crops suffered from too little rain during the development stage and too much rain at harvesttime resulting in lower yields and reduced quality. Total production of the major grains and oilseeds in 1980 was 44.6 million tons, up 11 percent from the poor 1979 crops. Cereal production increased by 15 percent to 40.7 million tons, whereas oilseed output declined 25 percent to 3.9 million tons.

Wheat production in 1980 is estimated at 19.1 million metric tons, up 11 percent from 1979. Wheat supplies (carryover plus production) are estimated at 30.3 million tons, down about two million tons from the previous season and the lowest since 1975/76. Total domestic use is forecast at 5.5 million tons. If ending stocks are reduced to the minimum necessary to maintain pipeline supplies—about 8 million tons—maximum exports would be about 16 million tons. This compares with 15.9 million tons of wheat and wheat flour exported during 1979/80.

In spite of dry weather, coarse grain production in 1980 reached 21.6 million tons, a 16-percent increase over 1979. High feed-grain prices and low oilseed prices motivated farmers to plant cereals instead of oilseeds; the area in coarse grains rose 12 percent above 1979 to 7.9 million hectares. Domestic use in 1980/81 is forecast at 18.5 million tons, up only slightly from the previous year. An unusually large supply of lower-quality feed wheat, caused by poor harvest conditions, will be substituted for some domestic use of feed grains.

Canadian coarse grain exports in 1980/81 are expected to be down almost 8 percent to 4.6 million tons. Exportable supplies of coarse grains will be limited by 1980's production and unusually low carryover from the previous year. Given the projected domestic and export demand for coarse grains, ending stocks on July 31, 1981 are expected to total only 3.9 million tons, about 11 percent more than a year earlier but only half the 1978/79 carryover. Domestic and international coarse grain prices are expected to average higher in 1981. Low stock levels will leave the market vulnerable to the impact of spring and summer weather on crop prospects.

Oilseed production in 1980 declined sharply from 1979, primarily because of declines in area planted. Rapeseed area declined 39 percent from 1979's record high. Area of flaxseed and sunflowers was down 38 and 16 percent, respectively. These declines were farmers' response to large carryover supplies and low oilseeds prices. In spite of lower production, total oilseed supplies are still large because of the large carryover stocks.

Oilseed exports in 1980/81 are expected to be well below a year ago. Production levels and Canada's transportation system constrained oilseed exports in previous years, but lower export demand appears to be the current limiting factor.

Tobacco production rebounded to 113.353 metric tons in 1980, up substantially from 1979 when 30 percent of Ontario's flue-cured crop was destroyed by blue mold.

Canadian livestock cycles correspond closely to those of the United States. During the previous 4 years, Canada's cattle numbers declined 10 percent while hog numbers increased 50 percent. Both cattle and hog cycles appear to have turned corners in 1980: cattle numbers increased, although by less than one percent. Poor weather and forage conditions, higher feed grain prices, large supplies of relatively inexpensive pork and high interest rates resulted in an extremely cautious approach to the herd rebuilding phase of the cattle cycle.

Beef and veal production in 1980 was 940,000 metric tons, nearly unchanged from a year earlier. Increased slaughter of cows and heifers, at the expense of herd rebuilding, offset declines in slaughter of other classes of cattle.

Canada's trade balance in beef and veal improved in 1980 as exports increased 21 percent to 64,000 tons and imports declined 14 percent to 74,000 tons. Imports of

live slaughter cattle from the United States returned to more traditional patterns, i.e., 100,000-200,000 head per year, after Canada lifted the D.E.S. certification requirement on live cattle in October 1980. Beef and veal imports failed to reach the 1981 global import quota of 77,882 metric tons, due in part to larger imports of live cattle for slaughter during the last two months of the year. No restrictions on beef imports are expected during 1981.

Hog numbers and pork production set an all time record of 9.4 million head and 980,000 tons, respectively in 1980. High exports, reduced imports, and strong demand from consumers confronted with high beef prices strengthened hog market prices during the last half of 1980.

Pork exports were up 50 percent from 80,000 tons in 1979 to 120,000 tons in 1980. Nearly 14 percent of all pork production was exported; an unusually large proportion. The decline in the value of the Canadian dollar during 1980, large Canadian pork supplies, and a good United States market during the latter part of the year provided incentives for increased pork exports to the United States. For the second consecutive year, Canada was a net exporter in pork trade with the United States. Before 1979, Canada was a net importer for many years. The factors that led to increased pork production and exports also contributed to a 43 percent drop in pork imports. The United States is the major supplier of pork to Canada, traditionally accounting for more than 90 percent of imported supplies.

Farrowings are expected to decline slightly in 1981 as producers respond to higher production costs. A corresponding drop in hog numbers and pork production and firmer hog market prices are expected during the latter part of 1981.

Poultry numbers and meat production declined slightly in 1980 as Canada's national poultry-marketing agencies reduced their 1980 production targets in response to burdensome stock carryovers from 1979. Production targets for 1981 increased by more than 3 percent in anticipation of higher pork prices and larger consumer demand for poultry.

Milk production rose 4.9 percent during 1980. Production is expected to increase again in 1981 in response to continued strong demand for fluid milk and processed dairy products.

Production of all major fruit crops increased in 1980. Apples, Canada's most valuable fruit crop, set a record production of 500,300 metric tons as young trees reached bearing age and ideal weather prevailed. Apple production will likely continue to expand during the 1980's. During the next several years, Canada may become a net exporter in apple trade with the United States, for the first time since 1972.

Total vegetable production in 1980 was 7.0 percent above 1979, and well above the 5 year average. However, Canada's vegetable imports still represented only one-fourth of total supply. The outlook for 1981 is for increased fresh fruit and vegetable production as demand continues to grow. Canada has one of the world's highest per capita consumption of fresh fruits and vegetables.

A large proportion of Canada's fruit and vegetable imports come from the United States. The value of the United State's fresh and processed fruit and vegetable exports to Canada was $835 million in 1980, a 10 percent increase from the previous year.

Potato production in 1980 was 2.5 million metric tons, down 9 percent from 1979. Smaller planted area, reflecting the previous year's distressed prices, and lower yields caused by cool, wet weather in major producing areas caused the lower production. Potato prices were favorable during the latter part of 1980 because of the lower production. Traditionally, higher prices lead to expanded plantings the following year. This year, however, high interest rates, increased production costs, and attempts to better organize eastern growers may limit acreage expansion.

The preliminary estimate of 1980 Canadian net farm income is C$3.5 billion, 3 percent lower than in 1979. Cash receipts from farming operations were C$15.6 billion, up 12 percent. In addition to higher wheat and feed grain prices, increased production of hogs, milk, tobacco, fruit, and vegetables contributed to larger farm recipts.

Farm operating and depreciation expenses, which increased 8.5 percent to C$12.1 billion in 1980, were the main cause of lower net farm profits. The largest increases in farm expenses were interest expenses and the costs of fertilizer, farm chemicals, and feed.

The 1981 forecast is more favorable. Net farm income will probably rise 13 percent as some product prices are expectd to increase faster than operating costs. Gross farm income is expected to climb 19 percent to C$18.5 billion.

Canada is ambitiously seeking to increase production and export of agricultural products. The 1985 export target for grains and oilseeds is 30 million metric tons, a 50-percent increase over the average of recent years. Primary contributions to increased production will likely come from increased fertilizer use, expanded planting of hybrid corn in Ontario, and a reduction in summerfallow area. Improvements are being made in Canada's grain handling and transportation system. During the 1980/81 marketing year, exportable supplies, rather than the transportation and handling system, will be the constraint on total exports.

The area planted to wheat and coarse grains in 1981 is expected to increase appreciably, suggesting a significant increase above last year's production if the weather is favorable. Unless adverse crop-conditions occur, Canada will likely to continue to expand exports and rebuild stocks in the 1981/82 marketing year.

Although energy prices will continue to rise in Canada, as elsewhere, the Government seems committed to maintaining stable, relatively low energy prices for the agricultural sector. As energy cost increases become a larger factor in production costs elsewhere, the Canadian agricultual sector will enjoy a small cost advantage in competing in world markets.

As a result of more aggressive production and international-marketing policies, as well as Canada's somewhat lower-valued dollar, agricultural exports, farm sales, and net income are expected to increase during the decade. (Ron Trostle).

MEXICO

Mexico's real GDP grew by about 7 percent in 1980, down from 8 percent in 1979, continuing a 3-year trend of impressive economic advances led by petroleum and petrochemicals. Public sector spending, which increased 15 percent, also stimulated growth. Inflation reached 27 percent as shortfalls of raw materials and intermediate goods were exacerbated by a choked transportation system. An expansionary credit and money supply policy also contributed to inflationary pressures.

High internal demand in 1980 precipitated a dramatic increase in imported goods and services that were financed partly from oil export revenues, but also by continued foreign borrowings as non-oil export earnings declined. Yet, despite a 36-percent increase in the current account deficit to $6.8 billion, international reserves held by Mexico rose 42 percent to $3.8 billion, owing to the international banking community's and foreign investors' continued confidence in the Mexican economy.

Total agricultural production increased in 1980 by 6 percent over 1979's disastrous harvest, mostly in response to improved weather conditions in the latter half of the year. The grain sector showed the most significant increases. Total grain outturn was about 16.6 million tons, 17 percent above 1979. Oilseed production was 25 percent lower because rains came too late in the crop cycle.

Corn, the primary staple in the Mexican diet, accounted for an estimated 75 percent of total harvested area and 60 percent of total grain outturn. Corn production was up 11 percent from 1979's poor harvest, mostly because of much needed rain that fell in the late summer months. An increase in the support price to $193 a ton encouraged some expansion in corn acreage. However, a substantial increase in the percent of planted area that was harvested, compared to the drought and frost-affected 1979 harvest, was a more significant factor. Despite the provision of credit, technical assistance, fertilizer, and seed through government programs, corn production in 1980 was no higher than 1978 and 4 percent below the long-term trend. The Government will provide additional technical and financial assistance to encourage more plantings in 1981.

Because of the shortfall in bean production in 1979, the Government substantially increased grower prices, reduced input costs, and expanded loan and crop insurance programs. Producers responded with a 400,000 hectare increase in bean area, and production climbed 20 percent in spite of poor weather during the fall 1980 harvest. Persistent shortages of beans in retail outlets in Mexico City throughout 1980 prompted the Government to provide free seeds and easy credit to stimulate further increases in bean production in 1981.

Favorable prices and good weather boosted the 1980 sorghum crop 65 percent above 1979's harvest. The production outlook is uncertain because Government incentives to produce basic commodities for human consumption may restrict the area planted to sorghum in 1981. Rice and soybean production plummeted in 1980 because reduced reservoir levels severely curtailed planting activity and continued hot, dry weather during early summer 1980 reduced yields. A return to more normal production is likely in 1981 as improved water supplies should allow major expansion of area planted in these crops.

Wheat production rebounded sharply from 1979, as growers switched from production of safflower and chickpeas to wheat in direct response to an 18-percent increase in the 1980 wheat support price to $155 per ton. The new support price of $198 per ton for 1981 and improved water supplies prompted a further 4-percent increase in Fall 1980 wheat plantings and a 6-percent rise in production in the May-June 1981 harvest.

Coffee production in 1980 remained at 1979 levels. Yields were down after 1979's high coffee yields, a natural, cyclical occurence. Production of coffee, Mexico's leading agricultural export, stagnated over the past 5 years because producers, located on small, isolated, mountainous farms, failed to make new investments in their coffee plantations.

Cotton production increased slightly in 1980 although scarity of irrigation water compelled farmers to reduce crop area. Larger 1980 exports and higher domestic consumption caused stocks to fall. Increased water supplies and higher cotton prices stimulated an increase in fall 1980 cotton plantings, and production is expected to rise 5 percent.

Production of most winter fruits and vegetables continued to expand in 1980. Tomato production climbed by over 7 percent, mostly because of increased area in 1980. Low market prices for fresh tomatoes throughout 1980 and government price support incentives to produce basic crops significantly reduced tomato area for harvest in 1981. Accordingly, 1981 total tomato production is expected to decrease by about 20 percent. Despite a slight increase in acreage, strawberry production fell 6 percent because of poor growing conditions, pest problems, and the declining quality of srawberry plants.

The Government's programmed expansion of the sugar industry, designed to meet projected growth in domestic consumption during the 1980's and return Mexico to its traditional role as a sugar exporter, experienced a major setback in 1980. Unfavorable weather and the spread of two serious fungus diseases caused sugarcane production to drop by 10 percent. Thus, the government allowed retail sugar prices to double in 1980 in order to temper consumption which had been increasing at an annual rate of nearly 7 percent over the past decade. As part of a massive investment program to revitalize the sugar industry, 1981 sugar support prices were increased about 34 percent, and bonus payments will be made to both growers and mills to encourage the planting of new higher-yielding varieties and to improve their industrial efficiency.

Erratic availabilities of feed in 1980 hurt Mexico's livestock sector for the second consecutive year, especially plaguing poultry and swine enterprises. Conservative estimates put cattle losses at 100,000 head because of

insufficient drinking water and forage, resulting from a drought in 1979 and early 1980. Beef cattle numbers increased over 1979 levels because pasture conditions improved in the second half of 1980 and U.S. market conditions for feeder catte remained unattractive to Mexican cattle exporters. Because of greater interest in feedlot operations in Mexico and the improved pasture and feed situation, cattle numbers will probably increase again in 1981.

Feeder calves—normally produced for export—were fed out domestically in 1980, and most had reached slaughter weight by fall. Thus, beef production was up about 3.5 percent. All of this increase entered the domestic market as the Government banned beef exports in 1980. The border may be reopened for beef exports in 1981, although probably for much smaller quantities than were shipped before 1979. The outlook for domestic beef production is for continued growth of 2 to 3 percent, as live cattle exports are expected to remain at low levels during 1981 because of low U.S. prices, thereby increasing the cattle available for domestic slaughter.

Swine slaughter was up in 1980 because of a heavy sell-off by small operations which were forced to close because a combined feed shortage/low price situation prevailed in 1980. Large Mexican companies showed interest in investing in the pork industry; therefore, hog numbers will probably recover rapidly in 1981. The poultry industry continued to expand in 1980, despite low prices and uncertain feed supplies, responding to rising consumer demand.

Mexico's agricultural sector has suffered from a low growth rate for the past 15 years. At the same time, food and feed demand increased substantially because of rapid population growth, rising per capita incomes, and a change to higher income foods, such as meat. Rising demand, 1979's drought-reduced grain outturn, and a poor 1980 oilseed crop caused Mexico to import unprecedented volumes of agricultural commodities that were worth more than $2.5 billion in 1980. In this setting of a troubled agricultural sector and rising farm imports, Mexico launched an ambitious 5-year farm and food program in spring 1980 known as the Sistema Alimentario Mexicano (SAM), or the Mexican Food System. This program, with a reported budget of more than $3.5 billion in 1980, aims to upgrade the diet of the Mexican population, especially the rural poor, and to achieve self-sufficiency in corn and beans (the two main staples of the Mexicn diet) by 1982 and in other crops by 1985. SAM's principal component is the upgrading of rainfed production districts in the South through credit expansion, technical assistance, and the greater use of inputs, especially fertilizer and insecticides.

Although total agricultural production was approximately 2 percent above the long term trend in 1980, SAM failed to stimulate the necessary increase in output in its first year of implementation. Per capita food production fell to one of the lowest levels in the past decade, increasing the likelihood that Mexico will be forced to continue importing large quantities of agricultural products for the next few years.

Thus, in December 1980, the Mexican Government passed the Agricultural Development Law to supplement SAM. The Law, designed to inject more dynamism in the agricultural sector, permits producers on ejidos and private farms to pool resources in order to form larger, more efficient production units that would have easier access to credit. This is seen by some as a reversal of the Mexican agrarian reform policy, followed since the 1930's, that sub-divided landholdings in an attempt to provide land for every peasant farmer. Other features of the Law penalize the owners of idle lands, encourage production of forage crops on grazing land (an activity which previously was a basis for expropriation), and discourage the division of properties into units of less than 5 hectares. This Law also provides for some of the mechanisms of SAM, such as the "shared risks" program.

The present administration is committed to make this new Law work by injecting massive amounts of money into its various programs. But, as in the case of SAM, weather remains a major factor in determining the Law's success. A high proportion of unproductive land in Mexico may frustrate the Government's efforts to reach its stated goal of producing enough to satisfy consumer demand for agricultural commodities.

Agricultural exports declined again in 1980 relative to total exports as they have annually for the past 15 years. Exports of agricultural products were off nearly 10 percent in 1980, and, for the first time since 1960, Mexico's trade balance for agricultural commodities was negative. The United States continued to be both Mexico's main supplier and main market for farm commodities in 1980.

The value of U.S. farm imports from Mexico fell 14 percent to $1.1 billion in 1980. Sales of coffee, which account for nearly one-third of the U.S. import bill from Mexico, declined nearly 26 percent to 87,000 tons. Imports of most winter vegetables and some fruits, especially tomatoes and strawberries, also declined in 1980.

Mexico became the United States' second most important customer, after Japan, for agricultural products in 1980. The value of U.S. farm shipments to Mexico, neary $2.5 billion, more than doubled from 1979. A major contribution to this increase was a more than four-fold increase in corn exports to almost 4.85 million tons. Mexico bought 2.4 million tons of sorghum, an increase of nearly 80 percent, and soybean imports doubled to 931,000 tons. U.S. shipments of pulses increased from 19,000 to 307,000 tons, while sugar and tropical product exports were up eight-fold to 212,000 tons. Exports of wheat, the only major commodity to record a decrease, fell by more than 40 percent to 675,000 tons.

Imports of 10.4 million tons of agricultural commodities from the United States in 1980 strained Mexico's port and rail facilities far beyond their design capacity and caused severe backlogs. Toward the end of 1980, about 45,000 U.S. and Canadian rail cars were stranded in Mexico. In order to alleviate this bottleneck, the Mexican National Railroad in December 1980, declared an embargo on all rail shipments to Mexico. A number of exceptions were made to allow some imports, among them corn and wheat. The freeze on rail shipments is expected to end in the first half of 1981, because the number of railcars stranded in Mexico has been reduced by several thousand.

Strong GDP growth will continue in 1981 as oil export

earnings increase and the Government pursues its development goals. Creating jobs, rather than reducing inflationary pressures, is the principal objective of the moderately expansionary 1981 public expenditure programs. High interest rates, an expansionary monetary policy, a continued mini-devaluation of the peso against the dollar, and shortages of goods in the face of high domestic demand will help fuel Mexican inflation in 1981.

The Government hopes to alleviate inflationary pressures by coordinating development policies, stimulating supply, and reducing bottlenecks. Special attention will be given to the agricultural sector; its budget will increase by a reported 53 percent to about $13 billion as Mexico attempts to increase food production and reduce its dependence upon the United States for food imports.

Import demand will likely approximate the 1980 record because the Government will probably try to maintain domestic supplies of foodstuffs the year before a presidential election. The 1981 Supply Agreement—essentially a continuation of the 1980 pact between Mexico and the United States—provides Mexico the opportunity to purchase 6.15 to 8.18 million tons of grains, oilseeds, and vegetable oils worth about $2 billion. Because of Mexico's growing population and rising per captia incomes, the trade balance will probably continue in favor of the United States in the near future. However, it is not likely that U.S. agricultural exports will continue to expand at recent high rates because projected investments should lead to increased output under the SAM program. (D.H. Roberts).

CUBA

Cuban officials considered the 1980 economic growth of 4 percent a major success, despite the failure to achieve the 6-percent goal set in 1976. Industry, agriculture, and construction were the leading sectors, accounting for about 55, 16, and 14 percent of Global Social Product [1], respectively. Failure to reach the target was mainly because of: 1) relatively low sugar prices for the first 4 years of the 5-year plan; 2) rising energy costs; 3) worldwide inflation that consequently increased the cost of imports; 4) continued inefficiency characterized by absenteeism and mismanagement; and 5) natural catastrophes that hurt the agricultural sector. Cane rust caused sugar output to drop and blue mold nearly destroyed the tobacco crop in the last two years; hurricane Allen damaged the citrus industry; and the fishing industry was limited by widespread enforcement of the 200 mile limit.

As projected in 1976, new lands were brought into production and irrigated facilities were improved and expanded. The number of tractors in operation increased from 54,000 in 1975 to 60,000 in 1980. The percentage of the sugarcane harvested mechanically rose from 25 percent in 1975 to 45 percent in 1980. Fertilizer use rose from 10,000 tons in 1975 to 1.5 million tons in 1980.

Cuba's 1980 sugar production of 6.8 million tons represented a 13-percent reduction from 1979—the second largest production. Nevertheless, higher world sugar prices should have ensured revenues from free market exports of around $1 billion, compared to $350 million in 1979. Recent reports indicate that 1981 output may be higher than what was originally forecast. Reasons for this are Cuba's discovery that an earlier harvest may help to reduce the spread of rust disease and the implementation of a rehabilitation program that calls for an investment of $68 million per year under the 1981-85 plan to achieve an output of 10 million tons by 1985. Over the past two years, however, a late and extended harvest has become characteristic of Cuba's sugar industry. Experts felt that this contributed to the spread of sugarcane rust in the last season's crop. Another contributing factor was the failure to complete the spring weeding program.

During the last 5-year plan, food production grew at about 3 percent annually. Much progress has been made in the production of vegetables, root crops, and other starchy products. Although the area planted to rice dropped by 20 percent, yields rose by 44 percent because of improved seeds and increased irrigated area.

Tobacco for many years has been Cuba's second most important export crop. The outbreak of blue mold, which decreased the 1979 crop by an estimated 25 percent, is reported to have damaged the 1980 crop by as much as 90 percent. Also, the torrential rains that occurred early in December 1980 in Pinar del Rio (one of the most productive tobacco areas) may have had a negative effect on this year's crop. Official reports indicate that the 1981 commercial crop promises to reach a record, bringing Cuba back to first place in the world cigar market. The failure of the 1980 tobacco crop forced the Government to import tobacco from Spain and other sources to meet its normal export and internal requirements.

Poultry and dairy were among the industries that showed the greatest production increases during the 5-year period. Milk production increased 54 percent and poultry meat about 50 percent.

Citrus production, 400,000 tons in 1980, has grown 60 percent from 1971-75 to 1976-80. Nearly half was exported, mostly to East Germany, USSR, and Czechoslovakia. For a number of years, Cuba has been quite successful in conducting an effective, aggressive market-development program for citrus sales to Europe.

Preliminary data suggest that Cuba's 1980 balance of trade deficit increased by about 39 percent over 1979. Foreign trade development was particularly influenced by changes in trade relations. Cuba's trade with socialist countries grew from 56 percent in 1975 to about 83 percent in 1979 and then declined to 73 percent in 1980, while trade with the non-socialist countries increased from 17 percent in 1979 to 27 percent in 1980. Recent official estimates show that Cuba's sugar exports for January-October 1980 suffered a drop of 9 percent compared to the same period a year earlier. As a result,

[1] Like other communist countries, Cuba does not report GDP. Instead it uses "Producto Social Global", which is equivalent to the value of all goods and productive services generated in the country during the year.

sugar exports to the USSR declined from 3.8 million tons to 2.7 million for the 10 month period.

In 1980, however, sugar production in the USSR suffered from weather-related problems, and Russian import needs have risen to over 4 million tons annually. This created a problem for Cuba as it appeared to be attempting to reduce its sugar export commitments to the USSR to avoid a reduction in its International Sugar Agreement quota and to take advantage of high sugar prices in the free market.

The 1981 economic outlook for Cuba is optimistic, if the country achieves its planned production and export goals for major non-sugar products: nickel, fish, and cement. Agriculture is expected to receive major emphasis in the next 5-year plan. Some of the major objectives are: 1) to increase production of principal foodstuffs by 4 to 4.5 percent annually; 2) to emphasize production of sugar, coffee, tobacco, and citrus; and 3) to improve the agricultural infrastructure. The new 5-year plan outlined a number of measures designed to spur production—some of which are already or at least partially in effect—such as reforming wages, easing restrictions on hiring workers, and creating free markets for agricultural products. The new plan also calls for greater integration of the Cuban economy into the Soviet economic system. (Nydia Rivera Sanchez).

DOMINICAN REPUBLIC

In spite of the worldwide crisis brought on by rising oil prices, the Dominican Republic is one of the few developing countries experiencing remarkable economic growth. Preliminary estimates indicate an increase in real GDP of 6 percent last year, compared to 4 percent achieved in the hurricane year of 1979.

During the first six months of 1980, demand for both local and imported products increased because of high government expenditures and the large volume of money in circulation. Those factors, as well as post-hurricane price increases, resulted in excessive imports that caused the balance of trade deficit to exceed the total trade deficit for 1979. Faced with the rapidly deteriorating economic situation (e.g. gasoline prices increased from $1.85 to $2.39 per gallon, electricity rates jumped 1.5 percent a month since May 1980, and are expected to rise throughout 1981), the Government introduced fiscal and monetary measures which sucessfully dampened expenditures, money supply, and imports. Although the increases in petroleum import prices in 1980 were offset by larger income from exports of sugar and gold, the balance of payments showed a deficit of about $115 million, up from the 1979 deficit of $85 million.

Exports of key commodities—sugar, coffee, cacao, tobacco, gold, ferronickel, and bauxite—were down because of late-1979 hurricane damage and individual industry conditions. Nevertheless, improved prices of these commodities allowed the country to achieved a record export volume estimated at $963 million, up 11 percent over 1979.

In spite of damages caused by Hurricane David in late 1979 and Hurricane Allen in August 1980, production of most agricultural commodities again reached record levels. The agricultural production index increased from 134 in 1979 to 138 in 1980 as the Government concentrated its efforts to rise output and productivity through irrigation and credit programs. Per capita produciton remained constant, however, because of the high rate of population growth.

While area planted to sugarcane—the most important crop—increased 8 percent from 240,000 hectares in 1979 to 260,000 in 1980, the area harvested increased only 1 percent from 178,000 hectares to 180,000. Sugar production (raw), however, declined almost 7 percent because both cane yields and extraction rates declined for several reasons: increased incidence of rust, decreased use of fertilizer, late arrival of Haitian cane cutters, heavy rains that disrupted the normal transportation of cane from fields to mills, and mechanical breakdowns caused by aging equipment in some sugar mills.

Cacao and tobacco production in 1980 was down by 14 and 8 percent, respectively—the result of damages caused by Hurricane Allen and blue mold. Coffee production showed an increase of 2 percent over 1979.

Pork production, affected by African swine fever, fell by more than 50 percent in 1980. However, with the apparent eradication of this disease, farmers in the Eastern region are rebuilding pig inventories.

Because of higher international prices for sugar and gold in 1980, export revenues from these two principal exchange earners were above 1979, in spite of a decline in export volumes. The 1980 volume of sugar and sugar by-product exports fell 12 percent but increased 53 percent in value. U.S. agricultural exports to the Dominican Republic rose 29 percent from $175 million in 1979 to $225 million in 1980. These accounted for 75 percent of Dominican agricultural imports in 1980. Feed grains, wheat, and edible oils were the major commodities imported. Corn imports more than doubled in 1980 as did soybean and oilcake. In an effort to maintain consumption and rebuild stocks, 60,000 tons of rice were imported in 1980 compared to no rice imports in 1979. Wheat imports and consumption also increased in 1980 by 45 and 10 percent, respectively, from a year earlier. The increases were the result of short supplies and higher domestic prices for root crops, plantains, and other farinaceous products that occured after Hurricanes David and Frederick in August and September 1980. U.S. food aid to the Dominican Republic reached a record $21 million in fiscal 1980, slightly higher than 1979. U.S. 1980 agricultural imports from the Domincan Republic increased 6 percent over 1979.

The agricultural outlook for 1981 is favorable. The Government's strenghtened strategy for output expansion will likely continue. Government officials intend to stimulate greater agricultural output by providing essential production inputs, improving facilities, and implementing effective price and stabilization policies through the Price Stabilization Institute. Despite this effort, the country will still be deficit in corn, vegetable oils, and rice.

In March 1981, President Antonio Guzman inaugurated the US $80 million Subana Yegua dam that will irrigate 600,000 hectares, most of which are currently

uncultivated. The dam will also generate 13,700 kw-hours of electricity. Two other hydroelectric dams are presently under construction. (Nydia Rivera Sanchez)

HAITI

Haiti's economy continued its irregular performance in 1980, reflecting its continued vulnerability to changing weather patterns and external demand factors. An excellent coffee harvest contributed to an estimated real growth in GDP of 5 percent in 1980 and an increase in international reserves of $11.4 million. Per capita GDP, in current dollars, rose from $254 in 1979 to almost $300 in 1980, although unemployment and underemployment continued to be problems. Inflation increased from 9.4 percent in 1979 to around 12 percent in 1980 and will likely to increase to 20 percent in 1981.

Agriculture remains the main source of livelihood for rural residents—75 percent of the total population—accounting for about 40 percent of the country's GDP and about 80 percent of its foreign exchange earnings. Agricultural growth has been erratic, averaging slightly in excess of 1 percent annually over the last few years. The main problems affecting the agricultural sector now, and probably in the future, are severe erosion caused by over-cultivation, use of very rudimentary production techniques, a nearly 90 percent illiteracy rate among the peasant population, and lack of adequate maintenance systems for the existing infrastructure, especially irrigation.

Agricultural production in 1980 declined 5 percent. This, coupled with a population increase of about 3 percent, increased the country's dependence on food imports. Sugarcane production, up about 5 percent in 1980, was adversely affected by smut and rust disease, inadequate irrigation, and diminishing extraction rates. Also, less sugarcane was used for raw sugar production because more was processed into rum or consumed directly as cane.

Haiti produces a variety of essential oils (vetiver, lime, and citronella) for export. Government policies discouraged vetiver exports in 1980, resulting in a 35-percent reduction in export earnings. These policies were adjusted in early 1981, but for exports to return to the 1978 level of $10 million, further adjustments will be required in government pricing and marketing policies.

After a number of years of declining sisal production, the government embarked on a program that boosted output 45 percent in 1980. Producer prices were raised to take advantage of the improved position of sisal vis-a-vis competitive petroleum-based products.

The United States is Haiti's most important trading partner, accounting for more than one-half of both imports and exports. Other important trading partners are Canada, France, Belgium, and Japan. Haitian exports in 1980 amounted to $200 million—mostly coffee, bauxite, cocoa, and essential oils. Assembly components and handicrafts items were also important exports. Coffee, the most important export crop, contributed 40 percent to 1980 export earnings because of the big 1979 crop.

The Haitian demand for grains has been particularly strong in the last few years, despite rising prices. This increasing demand was met by greater imports under P.L. 480 and other external assistance. The P.L. 480 program, operating in Haiti since 1958, is playing a rapidly increasing role in meeting the country's food deficit. Voluntary agencies have been a major vehicle in the distribution of food aid, and food-aid imports have increased as a percentage of total agricultural imports. P.L. 480 shipments, $18 million in Fiscal Year 1980, represented 26 percent of all U.S. agricultural exports to Haiti and a 25-percent increase from the $14.4 million in food aid in 1979. Commodities imported under P.L. 480 were mainly wheat and wheat flour, rice, soy oil, and dried milk.

Haitian government officials forsee a reduction in economic growth for 1981, because earnings from coffee and bauxite exports are expected to fall significantly and food imports will probably increase by 20 percent. This decline in export earning will be caused by the reduction in 1981 coffee production and the drop in bauxite output as Reynolds Aluminum proceeds with plans to shut down its bauxite mining plant by 1982.

Increased demand and higher world prices for foodstuffs, petroleum products, and consumer goods will likely result in a trade deficit approaching $150 million, an estimated 25 percent wider than the 1980 deficit. This projected trade deficit, along with unbudgeted 1980 capital expeditures set the stage for severe foreign exchange difficulties in 1981. As a result, U.S. exports to Haiti are unlikely to increase, even though both demand and needs will continue to be strong.

Haiti's balance of payments will continue to be fragile. Improvements are possible if the government pursues policies to give incentives for food production, employment opportunities, and higher taxes on imported luxury items. Despite such efforts, however, the weather and physical, institutional, and technological factors will continue to be serious constraints. Apparently, the task of alleviating poverty and raising living standards in Haiti will be highly dependent on the international agencies. (Nydia Rivera Sanchez)

JAMAICA

Jamaica's economy has continued to deteriorate since 1979. GDP has declined continuously since 1974 at an annual average rate of 4 percent; it fell 2.5 percent in 1979 and more than 3 percent in 1980. Continued increases in international oil prices, election year political uncertainity and the increasing role of the government in the economy adversely affected private investment and output in manufacturing, mining, construction, and tourism in 1980. This reduction in economic activity increased the unemployment rate, which reached 35 percent by mid 1980. Inflation accelerated to a rate of 36 percent during the first half of 1980, but slowed during the second half for an annual average of 30 percent. Restricted economic activity and poor export performance, affecting the country since 1978, caused the balance of payments deficit to increase almost 49 percent in 1980.

A lack of imported inputs, unfavorable weather conditions, and ineffective government programs led to only a slight increase in agricultural output in 1980. Agriculture's share of GDP dropped dramatically from 17 percent in 1953 to 9.6 percent in 1962; it was about the same in 1980.

Production of sugar in 1980 is estimated to have fallen about 8 percent from 1979. As in past years, the primary problems were mill breakdowns, labor problems, unfavorable weather conditions, low sucrose content of cane, rust and smut diseases, and low guaranteed sugar prices that did not cover rising production costs. The 1980 crop was also affected by a lack of foreign exchange that limited the availability and use of fertilizer at critical times. Total consumption of refined sugar declined slightly from 105,000 tons in 1979 to 104,000.

A 18-percent drop in production of bananas, Jamaica's other major export crop—from 170,000 tons in 1979 to 140,000 tons in 1980, is attributed to an outbreak of leafspot disease and damages caused by Hurricane Allen which lashed Jamaica's north coast in August 1980. Problems affecting the banana industry range from shortages of fertilizers, pesticides, and packaging materials to difficulties related to transportation and small farm size.

Grain production is relatively insignificant. Rice output increased by 40 percent—the result of more area planted. Jamaica is attempting to produce as much as 20 percent of its rice needs compared to only 11 percent in 1980.

The United States supplied about one-third of Jamaica's imports in 1980. Its share of the total, however, fell 20 percent because of the increased cost of oil purchases. The total value of U.S. agricultural exports to Jamaica in 1980 was $76 million, down 1 percent from 1979. Exports under P.L. 480—wheat and wheat flour, vegetable oil and corn—were reduced about 32 percent in 1980.

Importers need licenses and must import according to priorities determined by the Government and the availability of foreign exchange. Because foreign exchange was extremely limited and foreign debts were in excess of $175 million at the end of 1980, approval was granted for only the most critical goods. This situation hampered Jamaica's ability to export, because needed inputs were unavailable or in short supply.

Although imports of most basic food commodities were up 2 percent in 1980 estimated shortfalls of imports caused by foreign exchange problems were: rice, 3,000 tons; wheat flour, 14,000 tons; corn, 13,000 tons; soybeans, 3,800 tons; soybean meal, 5,000 tons; soybean oil, 1,600 tons; poultry meat, 9,000 tons; and inedible tallow, 2,000 tons.

Jamaican exports to the Caribbean Community (CARICOM) for January-September 1980 totaled $38 million, a 4 percent increase over the same period in 1979. Exports to all but three CARICOM countries (Guyana, Antigua and Belize) showed an increase. Exports were: rum and liqueurs, up 118 percent; electrical equipments, up 45 percent; furniture, up 26.1 percent and footwear, up 20 percent.

The new Government, elected October 30, 1980, chose as a first priority (as stated in the pre-election economic report) the restoration of the public sector, the recovery of productive activities, and the stabilization of the financial situation. The Government will orient its program toward the private sector as the prime mover of the economy, with the public sector playing an essential complementary role.

Restoration of IMF assistance to Jamaica will probably occur early in 1981. This will help the Government to finance an estimated external gap in excess of $600 million annually for 1981-83 and to provide foreign exchange for required imports of fertilizer, pesticides, and other farm inputs. Canada, Sweden, and West Germany have been giving interim aid to Jamaica and have indicated that additional aid will be available as soon as the agreement with the IMF is in place. The Government has announced revitalization plans for the two major foreign exchange earners, sugar and bananas, although funding for these programs remains uncertain. (Nydia Rivera Sanchez)

BARBADOS

The Barbadian economy registered its fifth consecutive year of growth in 1980. Real GDP grew about 7 percent. Unemployment, which exceeded 20 percent 5 years ago, dropped under 12 percent 1980. Inflation was about 20 percent, about the same as in 1979. Tourism continued to grow, primarily because of increased bookings in Western Europe. Exploration for oil and gas continued with limited success. Agriculture, which accounts for approximately 10 percent of the economic activity on the island, turned in a mixed performance in 1980. The most serious threat to the economy was the growing imbalance between imports and exports caused by rising energy prices and increased demand for imported petroleum and consumer products. The energy problem, however, remains manageable and another year of strong growth is expected in 1981.

The agricultural sector, which is dominated by a single crop, sugar, performed fairly well, considering the island was grazed by a hurricane early in August 1980. Although sugarcane production rose 15 percent, poultry, fruit, and vegetable output was adversely affected. Fruit and vegetable production recovered quickly, but the rebuilding of poultry facilities will take 6 to 9 months to complete. An inadequate supply of imported baby chicks in 1980 resulted in greatly reduced egg and poultry production, 25 and 40 percent, respectively. The index of agricultural production, however, decreased only slightly.

Barbados did not receive the full benefit of higher world sugar prices in 1980 because 52,000 tons of the 115,000 exportable tonnage was committed to the United Kingdom under the Lome II agreement and the UK price increased only 5 percent in 1980. Barbados is unique among Caribbean sugar producers: nearly all cane is grown by independent growers, rather than on large government-owned estates. Growing shortages of skilled cane workers have forced 10 percent of the growers to

begin experimenting with mechanical cane cutters. Dissatisfaction with the models currently available, however is leading growers to attempt to design new machines for the small fields and rolling terrain of Barbados. If they succeed, sugarcane will most likely remain the principle crop indefinitely.

For years, the value of imports has greatly exceded the value of exports. But the growing tourist trade has generated sufficient foreign reserves to cover the deficit. Since 1975, Barbados has promoted enterprises that increase exports and/or reduce imports, but the total bill for food imports—$70 million in 1980—continued to rise. The United States currently supplies about 40 percent of all Barbadian food imports, the value of which has been increasing at an annual rate of 30 to 40 percent in recent months. Similar increases are expected through 1981. Total imports of all commodities, both agricultural and non-agricultural, increased 35 percent in 1979 and another 30 percent in 1980 to a value of $550 million.

In summary, the Barbadian economy appears to be strong and healthy. Continued growth and diversification appear likely. The climate for foreign investors is good, and the economy has been cited as a useful development model for other emerging nations in the Caribbean. (Richard Brown)

FRENCH WEST INDIES

The French owned West Indian Islands are overseas departments of Metropolitan France. The two largest islands are Martinique and Guadeloupe. After years of intensive French investments, the residents currently enjoy one of the highest standards of living in the Caribbean.

The agricultural economy of the French West Indies is dominated by the production of sugar, bananas, rum, fruits, and vegetables. A considerable portion of these crops is exported to France and other Common Market countries, but agriculture generates only 8 to 10 percent of total GDP.

The hurricanes that seriously reduced banana production in 1979 and 1980 also damaged some fruit and vegetable crops, livestock enterprises, and farm buildings. Although the full extent of the losses is undocumented, total agricultural output in both years is believed to be off at least 20 percent in Guadaloupe and 30 percent in Martinique. Expansion of poultry, livestock, and fruit and vegetable crops is being encouraged by the French Government. Development of pineapple production and processing on Martinique represents one of the brighter spots in the agricultural sector at the present time.

Nearly all the agricultural and non-agricultural trade of the French West Indies flows between Metropolitan France and the islands. U.S. agricultural exports to these islands were less than $15 million in 1980 and U.S. agricultural imports were even smaller. Little change in the economic and agricultural situation is anticipated for 1981. (Richard Brown)

LEEWARD and WINDWARD ISLANDS

The Leeward and Windward Islands include all of the former British colonial territories in the Eastern Caribbean, except Trinidad/Tobago and Barbados. The islands in this group are small and have limited agricultural land resources. Sugarcane production, which dominated the economies of most of these islands 30 years ago, is significant only on St. Kitts today. Agriculture, tourism, and light industries are currently the principal sources of income throughout the region, and subsistence agriculture still provides a high proportion of the foods consumed. Future growth in these countries, however, remains very dependent on a continuing inflow of investment capital.

The largest Leeward Islands are Antigua, St. Kitts/Nevis and Montserrat. Tourism is the primary industry and continuing growth of tourism, commerce, and industry is anticipated in the 1980's. Unemployment and inflation are principle concerns of island governments. Commercial crop production is primarily limited to the 20,000 to 40,000 tons of sugar produced annually on St. Kitts.

The general economic and agricultural situation in the Windward Islands is quite different. The principle islands are Dominica, St. Lucia, St. Vincent, and Grenada. Agriculture remains the principle industry. Per capita incomes are low, averaging less than $500 a year.

Bananas are the primary cash crop. Exports of bananas, citrus, spices, and other tree crops provide 40 to 80 percent of foreign exchange earnings. Tree crop production accounts for 20 to 40 percent of GDP. Tourism is not a major industry, except on St. Lucia, the only island in the group that has a modern airport capable of handling a significant tourist trade. Cuban technicians, however, are building a jet airport on Grenada. Seaport and warehouse facilities are also limited in the Windwards.

In 1979, two hurricanes devastated Dominica, a volcanic eruption disrupted output on St. Vincent, and torrential rains washed out transportation and communication facilities on Grenada. In 1980, another hurricane severely devastated Dominica, St. Lucia, and St. Vincent. Banana production was totally wiped out for a period of 9 months on all Windward Islands except Grenada, where at least 25 percent of the crop was destroyed. Full recovery from these disasters is not expected before the end of 1981.

GDP fell 17 percent in Dominica in 1979 and current estimates show another 10-percent decline in 1980. In St. Lucia, GDP fell at least 15 percent in 1980; no real growth is expected in 1981. Similarly, a 5-to 10-percent reduction in GDP is estimated for St. Vincent in 1980 and 1981. Political unrest in Grenada and St. Lucia during 1979 and 1980 also had a depressing effect on economic activity in both countries.

Most of the agricultural exports of the Leeward and Windward Islands go to Europe, while most food imports originate either in other CARICOM countries or the United States. In 1980, U.S. agricultural exports to the Leeward and Windward Islands totaled $37 million, compared to $30 million in 1979 and $20 million in 1978. (Richard Brown)

TRINIDAD/TOBAGO

The economy of Trinidad/Tobago is booming. New construction is visible everywhere. Unemployment dropped below 10 percent in 1980. Real growth, estimated at 7 percent in 1980, appeared to be rising after dropping from a high of 10 percent in 1977 to 6.1 perent in 1978 and 5.4 percent in 1979. Increasing inflation, however, remains a threat to continued real growth in 1981, even though GDP at current prices increased 20 percent in 1980. But even with bright prospects for strong growth in non-agricultural industries, the economy will continue to be plagued with problems characteristic of rapid growth—rising per capita incomes, shortages of skilled labor, and inadequate public service facilities.

During the mid-1970's, the index of agricultural production rose slightly above the 1969-71 base of 100, before dropping to 97 in 1978 and 1979. Continuing production problems caused the index to drop to 89 in 1980. Sugar production, once the cornerstone of the agricultural economy, led the decline. The 1980 crop of 107,000 tons fell 60 percent below the high achieved in the late 1960's. Prospects for improvements before 1982 or 1983 appear unlikely. With annual domestic sugar consumption estimated at 52,000 tons, Caroni, the government-owned sugar company, will be forced to import at least 20,000 tons in 1981 if it wishes to honor its export commitment under the Lome II agreement. Industry officials attribute the continuing shortfalls in sugar production to labor, management, and equipment problems, plus extensive outbreaks of insects, diseases, and unauthorized fires in the cane fields. Untimely firing of cane fields has reduced the sugar content of harvested cane by 25 to 50 percent since the mid-1970's.

Similar problems contributed to production declines of other crops. Current estimates of pulse, fruit, and root crop production show continuing declines through the 1979-81 period. Coffee, cocoa and coconut production has nearly collapsed, although government plans are being drafted to revitalize these export industries. Attempts to expand rice production failed in 1979 and 1980. Efforts to develop alternative crops, such as corn and soybeans, have also been discouraging. Consequently, imports of agricultural commodities will continue to rise as production of most traditional crops will likely fall in 1981.

Poultry, and perhaps pork production, should increase because producers, are adopting the high technology developed in the United States. Future growth, however, depends on favorable domestic retail prices and the availability of imported feedstuffs.

Total exports currently exceed imports by $0.5 billion annually. Total exports in 1979 surpassed $2.5 billion, while imports approached $2 billion. Imports of agricultural commodities have shown continued growth during the past few years, and the established trends will likely continue as incomes rise and agriculture decreases.

U.S. agricultural exports to Trinidad/Tobago totaled $112.3 million in 1980. This represents an increase of nearly 50 percent over 1979 and followed successive increases of 9 percent in 1977, 29 percent in 1978, and 37 percent in 1979. Half of the 1980 increase resulted from a management decision to again purchase all wheat from the United States, after Trinidad bought significant quantities of Canadian wheat in recent years. Trinidad imported almost 130,000 tons of wheat in 1980 but exported 25,000 tons of wheat flour to Guyana.

With real GDP projected to increase 5 to 7 percent in 1981, Trinidad/Tobago remains an excellent market for a wide variety of U.S. agricultural and industrial products. It also remains an attractive market for foreign investors who are willing to give the Government a 51-pecent ownership of all new industrial enterprises. (Richard Brown)

OTHER CARIBBEAN ISLANDS

The Caribbean islands of Bermuda, the Bahamas, the Caymans, the Turks and Caicos, the Netherlands Antilles, and the Virgin Islands have very little land suitable for agriculture. U.S. exporters remain the principle suppliers of food and agricultural products. In 1980, $178 million of agricultural products were purchased from the United States, representing a 25-percent increase over 1979. U.S. agricultural shipments to these islands accounted for nearly a quarter of all U.S. agricultural exports to the Caribbean. This trade will probably increase another 10 to 20 percent in 1981. Demand for U.S. wheat and feed grains will increase as high-technology poultry and pork enterprises continue to develop on these islands. (Richard Brown)

COSTA RICA

Costa Rica's GDP increased about 2 percent in 1980, the lowest growth recorded for the past decade. The fiscal deficit, up nearly 50 percent from 1979, fueled an inflation rate of 24 percent and stimulated a high level of imports. This, together with a decline in the value of Costa Rican exports, led to an estimated $600 million current account deficit. Costa Rica's external debt became so high in 1980 that new loans were difficult to obtain, despite large capital inflows. The external debt and declining international reserves resulted in a continuous devaluation of the Colon. In September 1980, the Government required importers to buy half of their foreign exchange in the free market while permitting exporters to sell their dollars on the free market. The Government also imposed a surcharge on non-essential imports to further restrict import activity.

Agricultural output increased about 2 percent in 1980, principally because of a 25-percent increase in coffee production. Food production dropped 4 percent, the lowest since 1976, because of adverse weather, the high cost of inputs, plant diseases, and labor problems.

Record coffee production (112,000 tons) in 1980 was attributed to good weather and the absence of any major disease. Banana production was up slightly from 1979. Because of lack of funds, the Government abandoned efforts to control Black Sigatoka, a banana disease that reached Costa Rica in 1979. This decision did not affect 1980 production but will probably lead to a decline in 1981.

Production of rice, the major grain, fell 18 percent in 1980 as both yields and acreage were down, reflecting tigher credit controls. Corn and bean harvests were up by 25 and 18 percent, respectively, the result of increased area stimulated by substantially higher support prices in 1980.

Beef production decreased 19 percent in 1980. Milk production dropped off slightly because production costs escalated and government policies failed to provide adequate incentives.

Faced with domestic food shortages and lower prices for its major exports, Costa Rica continued its ambitious program to increase agricultural production. This program, begun in 1979, provided assistance to producers of coffee, bananas, sugar, grains, beef, cocoa, tobacco, and cotton. Diseases, frequent labor strikes in banana areas, and supply disruptions caused by the Nicaraguan revolution and similar disturbances in other Central American countries limited the success of this program in 1980. Costa Rica will likely continue to import food products in the next few years.

The value of Costa Rica's exports fell an estimated 1.5 percent in 1980 as agricultural exports, which accounted for about 75 percent of total exports, decreased in volume and value. The decline in earnings reflected falling world prices for coffee and beef, which together accounted for nearly 60 percent of agricultural exports in 1980. Costa Rica shipped about 42 percent of its agricultural exports to the United States in 1980.

While total imports declined slightly from 1979, agricultural imports—approximatedly 6 percent of all imports—were up in 1980. About half of Costa Rica's agricultural imports came from the United States and totaled nearly $67 million, up 64 percent from 1979. It imported about 93,000 tons of wheat (all from the United States) in 1980, an increase of 5 percent over 1979, for a total of $21.4 million. Also, Costa Rica imported 68,834 tons of corn from the United States, compared to none in 1979. Imports of soybean cake and meal from the United States rose 94 percent to 27,200 tons.

The outlook for 1981 is for economic stagnation, making it the second year in a row in which the population will grow faster than the GDP. Economic improvements will depend heavily on the outcome of the Government's negotiations with the International Monetary Fund for a stabilization agreement in 1981. (D.H. Roberts).

EL SALVADOR

The economy of El Salvador was greatly influenced in 1980 by continued political turmoil, violence, and uncertainty associated with the civil war between the military-civilian Government and guerrilla forces. Instability, plus a general feeling of uncertainty, created a scarcity of capital and a fall in the rate of investment. Real economic growth continued to fall. Unless stability and confidence are restored, the outlook for 1981 is grim.

The agricultural sector, less affected by the civil war, continues to be the most important single sector of the economy, contributing an estimated one-fourth to the GDP. Nevertheless, estimates indicate that agricultural output declined about 11 percent in 1980. Weather and growing conditions were relatively good; however, capital shortages and declining investments led to a decrease in the use of fertilizer, insecticides, and hybrid seeds. This resulted in lower yields for most crops.

Uncertainty over new government agrarian reform programs and nationalization of major crop exports made landowners reluctant to expand their operations. The next phase of agrarian reform calls for the takeover of all properties between 100 and 499 hectares by the Salvadorian Institute for Agrarian Reform (ISIA). The first phase of the reform affected an estimated 350 properties, all over 499 hectares. These were acquired by ISIA and apportioned to agricultural cooperatives and farm laborers. Compensation to former owners reportedly is in the form of interest-bearing government bonds, with up to 50 percent in cash for smaller holdings.

Nationalized coffee exports are controlled by INCAFE, the sole buyer and seller of coffee for export. Sugar exports are handled by a similar agency, Instituto Nacional de Azucar, which controls all domestic as well as foreign sales of sugar. Plans to nationalize cotton exports have not been carried out, and the Cooperativa Algodonera Salvadorena (COPAL) remains the exporting agency of El Salvador's cotton.

Output was down in 1980 for most commodities, except basic grains—corn, sorghum, beans, and rice—all of which equalled 1979 records. Export crops—coffee, sugar, and cotton—were particularly affected by guerrilla violence. Labor problems and financial constraints reduced fertilization, pruning, general field maintenance, and harvesting activities, resulting in diminished coffee output. Fortunately, coffee rust was contained and quarantined in the eastern section of El Salvador. Hurried picking of cotton and labor disturbances at cotton gins resulted in lower quality as well as reduced quantities of cotton. Cottonseed oil production also fell; El Salvador will have to increase its imports to compensate for this shortage. Reduced acreage, unauthorized burning of cane in the fields, and disruptions in sugar mills led to decreased sugar production.

Wheat may be the only grain imported by El Salvador in 1981. With foreign exchange tight, part of domestic demand may be filled by imports under special credit arrangements.

Expanding pork and poultry production required larger supplies of corn and other grains; corn therefore replaced cotton and sugarcane in some areas. Yields, however, fell because of the increased use of marginal land, reduced use of hybrid seed, and mounting rural violence.

Even with high slaughter rates —the result of political unrest and investment uncertainties—there was no significant expansion in livestock production. Since March 1980, meat-packing plants in El Salvador have been prohibited from exporting to the United States because of pesticide residue problems. Exports should resume in 1981, as soon as an inspection agreement is reached.

The 1981 outlook for El Salvador is dominated by the same uncertainties that existed in 1980. Consecutive years of decreasing investment and increasing scarcity of capital will probably be reflected in lower output for most commodities. (Sharon E. Prather)

GUATEMALA

The Guatemalan economy continued to lose momentum in 1980 with real GNP growth of 3.9 percent. Inflation, estimated at 11.5 percent in 1980, was mainly imported in the form of petroleum and petroleum products. Growth in export earnings was small compared with earlier years. Rising political violence seriously cut tourism. National and international banks curtailed lending because of the uncertain political outlook. As a result, capital inflows failed to cover the roughly $700 million negative trade balance ($1.2 billion exports and $1.9 billion imports), leaving a balance of payments deficit of about $80 million.

In 1981, increased violence and political uncertainty will probably lead to more pronounced wait-and-see attitudes on the part of investors. Further deterioration of trade within the Central American Common Market is expected.

The Guatemalan economy remains basically sound having one of the richest resource bases in Central America. External debt remains low in terms of the debt-service/export-earnings ratio. Reserve holdings, though down from 1979, remain ample (about $620 million). If violence decreases, the outlook for business, investments, credit, and tourism could improve rapidly, leading to a resurgence of economic activity and a notable improvement in overall economic performance during the second half of 1981. The Government continues to give priority to rural and agricultural development and more equitable national income distribution. Infrastructural improvement programs totaling about $2.4 billion are under construction or being planned.

Output of the agricultural sector (26 percent of GNP) declined about 0.1 percent in 1980. Outflow of monies and high interest rates in other countries reduced the amount of credit available for agricultural production. An increase in minimum wages and rising prices of imported fuels, fertilizers, and pesticides added to production costs, while falling prices put producers in a cost/price squeeze. The sector was especially affected by a drop in world prices of coffee, its most important export crop. Sugarcane and cotton growers saw their products' prices soar but were caught short on exportable supplies. Beef exports were cut off in mid-year as the United States, the principal buyer, banned imports of Guatemalan beef because of pesticide violations. As a result, agricultural exports (typically 75-80 percent of total exports) amounted to about $925 million, barely higher than 1979, while agricultural imports (usually 6 percent of total imports) rose 26 percent to $115 million.

Excessive and untimely rains reduced production of wheat and sorghum. Serious soil erosion is taking place where wheat is planted in marginal hilly terrain. The Government plans to eliminate wheat support prices and encourage plantings of timber or perennial fruit trees to better hold the soil; wheat area will therefore likely decrease and imports increase. Corn, Guatemala's major food and feed item, was not adversely affected by the rains. High minimum price supports for corn resulted in record production in 1980, with a further increase forecast for 1981. Corn continued to be the second most important import after wheat, as the feed industry imported some 117,000 tons to satisfy domestic feed demand.

Coffee accounted for about 22 percent of aggregate agricultural output in 1980. It heads the list of export commodities, capturing 48 percent of export earnings in 1980 in spite of falling world coffee prices. Rust is currently threatening the crop; outbreaks have been reported in several localities. Production, down from 1979, is forecast to drop still further in response not only to the rust problem but also to rising production costs in the form of a 110 percent hike in coffee-labor minimum wage.

Sugar production amounted to about 12 percent of aggregate agricultural output and 6 percent of export earnings in 1980. The spectacular increase in world sugar prices caught Guatemalan producers and mills holding relatively small stocks, because of their having previously shipped large amounts to Mexico. Large increases in cane plantings have occurred, however, and production and exports are forecast to increase in 1981.

Atlhough cotton accounts for only 10 percent of aggregate agricultural output, it earns 22 percent of Guatemala's export revenues, with exports principally to the Peoples' Republic of China. Because of low controled cottonseed oil prices established by the Government, there is no competition from any other oil-bearing seed. Consequently, Guatemala relies solely on cottonseed for domestic cooking oil production. This policy, however, has resulted in reduced cotton plantings for 1981.

Beef production, about 13 percent of aggregate output, grew a disappointing 3 percent in 1980 mainly because of smaller exports to the United States. Production in 1981 is expected to increase about 10 percent as the export market becomes more favorable.

The agricultural outlook for 1981 is generally favorable. Prospects for continued favorable international prices for most commodities encourage producers to maintain or increase 1981 planted area. Given a decrease in the region's political turmoil, agriculture could regain its 1970-80 growth rate of 5 percent. (Alan Maurer)

HONDURAS

Economic growth, which averaged 6.5 percent in 1978 and 1979, slowed to an estimated 2 percent in 1980 because of reduced capital formation, weak exports, a sharp rise in imports, and stagnant agricultural production. The political unrest at home and in neighboring Central American countries was an important factor in the reduced capital formation because it slowed private sector investments, discouraged foreign commercial financiers from lending, and encouraged considerable capital flight. Reduced exports reflected lower volumes of bananas and refrigerated beef, while the rise in imports reflected more and higher-priced oil and larger volumes of manufactured goods and foodstuffs. Inflation, estimated at 14 percent, remained unchanged from 1979.

Agriculture continued to dominate the economy, accounting for 31 percent of GDP, 66 percent of exports, and 60 percent of the economically active population.

Agricultural production showed no gains in 1980 and, with high population growth, per capita production declined 3 percent.

Crops, accounting for three-quarters of agricultural output, grew just under 2 percent. More coffee trees coming into production and a 66-percent expansion in sugarcane area since 1978 were behind production gains. Corn production increased 5 percent over 1979 but, because of flood damage in some areas and a tightened credit situation, was still about 10 percent below earlier government estimates. Rice, sorghum, and cotton production declined from 1979 levels.

Livestock production fell 5 percent, the first decline in over 15 years, because of reduced slaughter and fewer cattle exports. The cattle herd, estimated at 2.2 million head at the beginning of 1980, increased to 2.3 million head by early 1981. Although cattle exports declined 50 percent to 50,000 head (probably because of reduction in the price differential between Guatemala and Honduras), a much larger drop occurred in clandestine cattle imports from Nicaragua.

Agricultural exports totaled $536 million in 1980, up from $499 million in 1979 and $425 million in 1978. In the past several years, 1979 excepted, coffee was the leading export and bananas were second. In 1980, exports were 61,000 tons of coffee worth $223 million and 847,000 tons of bananas worth $207 million. Although the volume of coffee exports remained unchanged from 1979, a price increase boosted earnings 23 percent. Banana volume was down in 1980, but a 6-percent price increase caused earnings to slightly exceed 1979's. Other agricultural exports were 26,000 tons of refrigerated meat valued at $109 million; 83,000 tons of sugar, $56 million; 9,000 tons of cotton, $56 million; 4,000 tons of tobacco, $22 million; and 13,000 tons of fruit preserves, $9 million.

Agricultural imports were $81 million in 1980, up from $70 million in 1979 and $67 million in 1978. Grains are the principal import because Honduras produces virtually no wheat and insufficient amounts of other grains. In 1980, 80,000 tons of wheat, 60,000 tons of corn, and 5,000 tons of rice were imported, up from approximately 75,000 tons of wheat, 7,000 tons of corn, and 5,000 tons of rice in 1979. The United States continued to be Honduras' major trading partner.

The outlook for 1981 is not bright. Import expenditures are likely to remain high because of the high cost of petroleum. Export revenues will probably be hurt by low coffee and banana prices. The political difficulties confronting the Central American nations will probably continue; if unrest intensifies within Honduras, it could disrupt domestic production. Although too early to predict, agricultural production in 1981 is forecast to show only modest gains. (Lisa J. Shapiro)

NICARAGUA

Nicaragua's economy, left in shambles from the 1979 civil war, showed signs of recovery in 1980. Large foreign loans and donations ($450-500 million) from Latin American countries, Europe, and the United States greatly contributed to the nation's economic survival. Unemployment fell substantially but inflation, estimated at 35 percent, contributed to sharp increases in basic food prices. The balance of payments ran a deficit of over $300 million. Export earnings were down, with reduced exports of beef, sugar, and cotton. Foreign exchange reserves at the beginning of 1981 were exhausted. The Government was able however, to reschedule about $477 million in short term foreign debts to a longer term 15-year period.

While 1980 agricultural output increased 23 percent above 1979, it was still well below any year since 1972. The civil war caused 1979 production to fall 45 percent below the 1978 level and 4 percent below the 1969-71 average. By 1980, some commodities—basic grains, pork, milk, poultry—had increased to or exceeded 1978 levels while others—beans, cotton, cottonseed oil, and beef—were down. A sharp increase in domestic consumption of many food items, including export commodities (sugar and beef), reduced the amount available for export and required imports of beans, rice, and edible vegetable oils.

In 1980, the uncertain, uneven application of the agrarian reform program continued to be of serious concern to the private agricultural sector. Lack of financing caused government-controlled banks to foreclose on agricultural properties; much of the agricultural credit went to State enterprises and, through government programs, to small private producers.

Estimates place about 80 percent of agricultural production in the private sector. Nevertheless, the Agrarian Reform Agency (INRA) operated 18 percent of the cotton area, 15 percent of coffee, 40 percent of sugarcane, 31 percent of rice, 21 percent of sorghum, and 9 percent of sesame, but only 2 to 3 percent of the beans and corn area. The agency controlled cigar tobacco production, but cigarette tobacco remains in private hands. Estimates place about 10 percent of cattle under the INRA. The banana industry is being reorganized, with a State company now responsible for production activities and the international company for export marketing. In early 1981, the Ministry of Agriculture and the Agrarian Reform Institute were fused into one Ministry (MIDINRA) with three Divisions: Agriculture, Agrarian Reform, and Agricultural Policy.

Foreign loans and donations will be very important in determining the 1981 economic situation. While export earnings are expected to show a substantial increase over 1980, import requirements will probably be limited by a shortage of foreign exchange. Inflation will continue to be relatively high, and basic food costs are likely to continue their upward push. (Paul J. Trapido)

PANAMA

Economic conditions in Panama continued to improve in 1980. Strong consumer demand and substantial increases in construction and manufacturing industries resulted in real GDP growth of 3 to 4 percent, in spite of a depressed agricultural sector and unemployment in all sectors. Government relaxation of rigid price ceilings on many consumer items aided economic growth but also

sharply increased inflation to about 15 percent, up from 8 percent in 1979. Increased revenues resulting from expansion of the economy and from Canal tolls provided relief from a tight fiscal situation generated by increased public expenditures.

In 1981, current trends will likely continue and GDP grow 4 to 5 percent. Continued strong consumer demand will add to inflation. Some slacking off of government expenditures can be expected as the Government seeks ways to manage a burdensome public debt.

In spite of normal weather conditions in 1980, agricultural output declined 2.6 percent, falling to about 13 percent of GDP. Panama, with less than 200,000 hectares of relatively level arable land, decreased crop area in 1980, as delays in increasing rice support prices forced many rice producers to convert rice area to pasture.

Production declines in bananas and sugar, two of Panama's most lucrative export products, caused a decrease in the volume of agricultural exports; however, favorable world prices resulted in larger earnings.

Agricultural policy continued to stress the need for price supports, credit availability, technical assistance, and increased yields through improved cultural practices. In 1980, the Government announced a 5-percent reduction in the cost of all agricultural inputs, increased support prices for several commodities, and agreed to permit beef exports as long as domestic availability was not jeopardized.

Beef production in 1980 experienced a 30-percent jump over 1979, when producers had been holding cattle back from the market in anticipation of better prices. The slaughter rate increased because of limited pasture availability and the reopening of the beef export market that had been closed to provide more beef for domestic consumption. Though beef exports increased, the inability of the two existing processing plants to handle larger supplies created a bottleneck. An additional plant is currently being constructed that, once approved for processing export beef to the United States, should relieve the pressure. Beef production should continue to rise in 1981 as strong growth in the general economy generates increased domestic demand larger exports are encouraged through a relaxation of export restrictions. In an effort to relieve overcrowded pastures, cattlemen expect to sell several thousand head of live cattle to Costa Rica in 1981.

Corn production, affected by excessive moisture and low prices, was down slightly from 1979. Imports of about 60,000 tons of wheat and 32,000 tons of corn were necessary to satisfy domestic demand; corn will likely be imported again in 1981. Rice production decreased as high production costs and unremunerative support prices led to a reduction in area. Nevertheless, about 25,000 tons of rice were exported to reduce stocks from the record 1979 crop. A delay in announcing increases in rice support prices until the fall of 1980 led to a decrease in 1981 rice area as farmers opted for more profitable crops. Rice imports will therefore be necessary in 1981.

Banana production in 1980 dropped 53 percent, the result of a tropical storm that damaged much of the crop in late 1979. Exports of bananas, Panama's most lucrative export commodity, were significantly below normal. Forecast for 1981 is for production and exports to recover to 1979 levels.

Sugar output was down slightly from 1979 because cane smut and rust reduced yields. High international prices stimulated exports to the extent that a domestic sugar shortage was created. Production and exports are forecast to increase considerably in 1981 as favorable prices lead to increased plantings and efforts to combat plant diseases succeed.

The outlook for Panama's agriculture in 1981 is for continuation of the downward trend unless a concerted effort is made by both public and private sectors to upgrade farm productivity. Although the continued general upward turn in the economy will benefit agricultural producers, financial assistance, longer-range planning, and more consistent, timely government policy will be necessary to make the agricultural sector a positive contributor to overall economic growth. (Alan Maurer)

ARGENTINA

In 1980, the Government of Argentina continued its program of economic reforms designed to lower the inflation rate, increase investment, and rebuild the capital base of the economy. Policies instituted in pursuit of these goals created turbulence and led to general economic stagnation as firms and sectors tried to adapt to radical changes in the system.

Scheduled, preannounced devaluation of the peso relative to the dollar at less than the domestic inflation rate and reduction of import tariffs, tended to lower prices and force domestic firms to operate more efficiently, succeeded in pulling the 1980 rate of inflation down to 88 percent from 140 percent in 1979. An unwanted side effect was Argentina's first negative trade balance in five years as imports jumped to \$10.4 billion while exports remained at the 1979 level of \$8 billion, the result of strong grain prices and purchases of grains and beef by the USSR. GDP was virtually stagnant (estimates of growth range from 0 to 2.5 percent) as high interest rates and rapidly rising prices discouraged investment and consumer demand. Agricultural production accounted for 12 percent of GDP, about the same as in 1979, while agricultural exports represented about 75 percent of all export earnings.

Economic activity will likely rebound somewhat in 1981, and grow 2 to 3 percent. The Government announced a 10-percent peso devaluation in February 1981; scheduled monthly devaluations at a higher rate than in 1980 will follow. There will again be a negative trade balance in 1981 because of the continued attractiveness of imports; nevertheless, a system of export subsidies should boost foreign sales. Inflation is forecast to drop to around 60 percent. The agricultural sector will probably represent more than 12 percent of GDP and more than 80 percent of total export earnings because of a large increase in grain exports.

Weather and Government economic policy pressures resulted in a 9.7-percent decline in agricultural output in 1980. A drought in January sharply reduced corn and

sorghum harvests. Heavy rains in May caused flooding that damaged agricultural land and equipment and caused serious livestock losses. Next, a drought in August reduced the wheat crop. The peso was devalued about 23 percent in 1980, while inflation was 88 percent. The effect of this policy on agriculture was to reduce real returns to producers. With interest rates around 6 percent per month (105 percent per annum), producers found themselves in an indebtedness spiral, unable to meet current operating expenses. The beef, dairy, and fruit industries were particularly hard hit, because they depend heavily on export earnings and are sensitive to foreign competition. Economic problems did not affect grain and oilseed producers as much because of worldwide crop shortfalls that gave rise to favorable prices.

In October 1980, a 10-percent export subsidy was granted on a number of agricultural products in an effort to make their prices more competitive in international markets. At the same time, a score or more of various levies and taxes on agricultural production were discontinued. The value-added tax that replaced them is applied in the end-use market; domestically purchased mixed feeds and all agricultural produce destined for export are exempted. The net result is a decrease in production costs.

In an effort apparently aimed at ensuring export markets for grains, Argentina entered into several bilateral trade agreements in 1980. The largest of these was with the USSR, involving minimum quantities of 3 million tons of corn, 1 million tons of sorghum, and 500,000 tons of soybeans annually during 1981-1985 (a total of 22.5 million tons). Another, with the People's Republic of China (PRC), is for 1-1.5 million tons annually of wheat, corn, and/or soybeans through 1984. During the next two years, Mexico intends to purchase an annual minimum of 1 million tons of corn, sorghum, soybeans and/or sunflowerseeds from Argentina. Lastly, Iraq agreed to buy 200,000-300,000 tons of wheat per year through 1983. All of these agreements are "letters of intent" which contain escape clauses in the event of poor harvests or unsuitable prices. Nevertheless, the quantities involved amount to nearly half the yearly exportable supply in Argentina. Partially as a consequence of being the only major grain exporting nation to refuse to participate in the U.S.-led partial grain embargo on the Soviet Union, Argentina has found its export markets shifting away from traditional Western European and Japanese customers to Eastern Europe and the USSR.

Weather conditions during the first 3 months of 1981 were ideal and bumper 1981 harvests are expected. The Central Bank of Argentina has developed debt refinancing schemes for agricultural producers and processors that will enable them to meet operating expenses. The 10-percent peso devaluation, in combination with strong international grain prices, should bring about a substantial increase in agricultural export earnings while reducing imports. Export sales will likely continue to shift to Eastern Europe and the USSR, especially if the United States decides to maintain its partial embargo. Thus, while there will still be a cost-price squeeze that will hurt some producers and processors, the outlook for the sector as a whole is for pronounced growth and greater importance as a contributor to GDP.

Total grain production for 1980 was about 26 percent below 1979. A drought during the critical flowering and heading stages caused the abandonment of several hundred-thousand hectares of wheat, but above-average yields in remaining wheat areas, brought about by increased fertilizer use and the sowing of improved varieties, resulted in total production only 4 percent below 1979. Coarse grain output was off a record 38 percent from the previous season. Hot and dry weather during the flowering stages of corn and sorghum caused yield reductions. Corn production was down 29 percent, while sorghum was down 54 percent. Much of the sorghum decrease came from a reduction in area planted because of relatively more attractive sunflowerseed and cattle prices.

In spite of the poor wheat outturn in 1979, favorable world prices in 1980 stimulated sufficient draw-down of stocks to increase wheat exports to 4.5 million tons. Corn exports dropped to about 3.5 million tons, while exports of sorghum fell off about 60 percent to 1.6 million tons. Principal purchasers of Argentine wheat in 1980 were the USSR, 52 percent; Brazil, 19 percent; and the PRC, 15 percent. On a regional basis, Latin America took 30 percent of Argentine wheat exports. The USSR bought 84 percent of Argentine corn exports, with the European Community (EC) countries purchasing 11 percent. Virtually all sorghum exported from Argentina in 1980 went to the USSR.

Assuming normal weather, coarse grain production in 1981 should reach record levels. Shifts from oilseeds and pasture to more favorably priced grains should result in increased area planted to corn and sorghum. Wheat production in 1981 is expected to recover and possibly exceed 1979 output, because high world prices should stimulate increased plantings.

Current estimates place 1981 exportable grain supplies at about 18 million tons, of which 3.8 million is wheat; 8.9 million, corn; and 4.5 million, sorghum. Uncertainty concerning the future of the Russian grain embargo makes prediction of trade patterns difficult, though Argentina appears to be turning away from traditional Latin American and Western European customers: the USSR will probaly buy more than 95 percent of the coarse grain exports and about 75 percent of wheat exports.

Total oilseed production in 1980 was down about 4 percent from 1979, principally because of weather-related reductions in peanut, cottonseed, and flaxseed crops. Soybean production registered a slight increase over 1979. Rains also hindered sunflowerseed harvesting, so that in spite of production being up 6 percent from 1979, it was about 12 percent less than expected at the beginning of the season. Peanut, cottonseed, and flaxseed harvests were also reduced by inclement weather.

Oilseed exports in 1980 were 2.9 million tons, almost all of which were soybeans (2.8 million tons). The USSR was the single largest buyer, taking 28 percent. European countries purchased 61 percent. Favorable international prices for oilseed products continued to result in low

export levels of sunflowerseed and flaxseed, which were purchased mostly by domestic crushers.

Assuming normal weather patterns, Argentina's 1981 oilseed crop will likely surpass the 1979 harvest. Soybean area will likely increase slightly, because shifts away from single-crop plantings will be more than offset by increased double-cropping with wheat. Soybean production for 1981 is forecast to increase 11 percent, as yields improve from 1980. Producer dissatisfaction with sunflowerseed prices will likely result in a 25-percent reduction in area planted and an 11-percent decrease in production. Shifts to wheat will cause a similar reduction in flaxseed area.

Larger soybean supplies in 1981 should result in total oilseed exports of about 3.2 million tons. The EC has been Argentina's largest oilseed market, but shipments to the USSR in 1980 were significant. This trend will probably continue in the near future as the Soviet Union seeks to build up its feed supplies.

Argentine beef production in 1980 was down 8 percent as the cattle cycle began moving from equilibrium to the retention phase. Slaughter was off, principally because of weak international demand brought about by an unfavorable exchange rate and lower domestic demand arising from the imposition of a 10-percent value-added tax on retail beef products. Per capita beef consumption remained around 90 kg., unchanged from 1979. Beef exports of 470,000 tons experienced a drop of 33 percent from 1979 because of relatively high prices brought about by the unfavorable exchange rate policy; high worldwide inflation and the consequent loss of buying power, and increasing competition from the EC cut further into Argentine markets. Principal buyers of Argentine beef in 1980 were the EC, 30 percent; the USSR, 28 percent; and the United States, 19 percent.

In 1981, production of beef is forecast to decrease slightly as the sector moves into a period of retention. Beef exports will be down to about 450,000 tons in 1981 because of the lower slaughter rate and continued high international prices for Argentine beef caused by the gap between devaluation and inflation rates. Increasingly difficult access to EC markets because of protectionist import policies and high support prices, plus USSR interest in maintaining per capita meat consumption, may result in the USSR becoming the principal importer of Argentine beef in 1981. (Alan Maurer)

BOLIVIA

Bolivia's economy remained distressed in 1980. GDP is estimated to have grown a maximum of 0.8 percent, compared to 1.4 percent in 1979 and higher rates during 1970-78. Substantial political unrest, rising production costs, sluggish demand, shortages of raw materials, tight private-sector credit, and bad weather all contributed to the poor performance. A mounting fiscal deficit and accelerated inflation were additional problems. The external economy saw its first trade surplus in 6 years because of higher export prices and a lower volume of imports, but the balance of payments was again in deficit. External debt continued to be a serious concern; even with support from international financial institutions, Bolivia had difficulty meeting debt-service payments, and twice negotiated payment deferrals.

Agricultural production fell 3 percent in 1980, making aggregate production as low as 1969-71. Crops, two-thirds of the total, were down 4 percent while livestock production remained unchanged. Agriculture in Bolivia has long been hurt by extremes of weather, inadequate infrastructure, mostly small-scale production, and the low use of fertilizer, irrigation, and mechanization. In recent years, as the economic situation deteriorated, credit has been difficult and/or expensive to obtain, real per capita disposable incomes have shrunk, and rising inflation has meant rising costs of production. All of these factors continued to impede significant expansion of output in 1980.

Unusually bad weather in the Santa Cruz area was the principal reason for the worse-than-usual crop performance in 1980. Producers planted less corn than planned because of the initial dry spell. Extremely heavy rainfall in the growing season hurt most of the Santa Cruz crop yields and, in the case of sugarcane and cotton, damaged plant quality as well. Continued rain at harvest reduced harvestable area by making some fields inaccessible. Other parts of the country also suffered bad weather. The area planted with potatoes, Bolivia's largest crop, declined 18 percent to 131,000 hectares owing to a range of adverse weather conditions (drought, frost, and excessive rainfall). Nevertheless, dramatic, but incomplete, recovery in potato yields from 1979's worm-infested crop permitted production to remain unchanged.

A second problem affecting crops was a labor shortage faced by commercial producers in the Santa Cruz area. Many Bolivian laborers seeking higher wages crossed into Argentina for employment, worked in coca and coca paste production, or migrated to urban areas. In the case of sugarcane, the labor shortage was so severe that the army was called in to help harvest the cane.

Soybeans were an exception to the general pattern of stagnant or decreased crop production. Although the excessive rains made soybean yields the lowest on record, sufficient 1979 domestic demand for soybean oil and the continued government subsidy of soybean meal exports encouraged farmers to expand the 1980 area by 35 percent. Consequently, production of 44,000 tons was 16 percent higher than 1979 and the largest ever for Bolivia. Even with the increased production of soybeans, however, 14,000 tons of soybean oil (58 percent of consumption) had to be imported to meet domestic requirements.

The livestock sector showed little improvement in 1980. As in 1979, rising production costs and limited consumer demand for livestock products checked expansion.

Imports of wheat, Bolivia's principal imported foodstuff, continued to be a vital component in Bolivia's food supply. The 217,300 tons that arrived between January and mid-December 1980 represented approximately 70 percent of consumption. As in earlier years, Argentina and the United States were the suppliers, providing 130,000 and 87,300 tons, respectively. The U.S. shipments were made through its food assistance/agricultural development program, P.L. 480, Titles I/III.

Principal agricultural exports in 1980 were sugar (72,500 tons to the United States and Chile), soybean meal (25,000 tons to Peru), and small amounts of coffee and cotton. Sugar exports were down 28 percent from 1979 because of low production. The doubling of soybean meal exports was made possible by higher production and sales of 1979 carryover stocks.

Given the considerable problems Bolivia faced as 1981 began, the economic outlook is uncertain. Agricultural production should show a moderate recovery, weather permitting, although a continuation of the labor shortage, the possibility of a diesel fuel shortage, and tight credit could become serious constraints. The announcement in January 1981 that the Government was raising retail prices on wheat flour, sugar, rice, beef, and poultry could hurt 1981 food consumption-because many Bolivians have low incomes and already spend most of their income on food. Bolivia will continue to import wheat, but because of chilly U.S.-Bolivian relations in late 1980 and early 1981, the sources of supply could change from the United States to other countries. The amount of other trade will depend on Bolivian production. Recovery to 100,000 tons of sugar exports, further expansion of soybean meal exports, and a slight decline in soybean oil imports are expected. (Lisa J. Shapiro)

BRAZIL

Brazil's 1980 real GNP growth was 8.5 percent. Brazil took drastic steps to solve economic problems that cut her annual growth well below that of the "miracle" years, 1968-1974, when a minimum of 10 percent was achieved. Per capita GNP was over $1,700, but economic problems of inflation, petroleum import costs, and debt service payments were more intractable than expected. The preliminary 1980-population Census of 118 million shows a significant decline in birthrates from the 2.5 percent carried in the 1970's. The rate of inflation accelerated from 77 percent in 1979 to 110 percent in 1980, fueled by higher prices for imported oil, large wage settlements, monetary expansion, government deficit spending, and large government subsidies. On the bright side, industry grew 7.5 percent and agriculture 11 percent from the low level of drought-stricken 1979.

The central economic problem of 1980 was the negative balance of payments and a current account deficit of $12.5 billion. Debt service payments on $55 billion—amortization plus interest of $12.6 billion—and a petroleum import bill of $10 billion were the major items. Brazil succeeded in raising exports 32 percent to $20.1 billion, but a 28-percent rise in imports to $22.9 billion left a trade deficit of $2.8 billion. Agricultural exports of $9.4 billion were greater than industrial and mineral exports in meeting the export goal. Capital inflows slowed down in 1980 and gross foreign exchange reserves were drawn down to $6.7 billion from $9.7 billion.

By the end of 1980, the Government had taken drastic measures to curb inflation and to cut imports. It cut consumption of petroleum by raising prices. It also produced 4 billion liters of alcohol to substitute for imports. The Government cut the subsidy on wheat and diminished the subsidy to agriculture by raising interest rates on production loans.

Agriculture, bedeviled by 2 successive years of drought, rebounded under favorable weather to post the largest gain in over a decade. Besides weather, other factors were ample credit and minimum price programs, high world prices, movement into western frontier lands, and the pay-off of long term investments in planting programs for coffee, cocoa, and sugar. Previous plantings of coffee and cocoa reached maturity in 1980 and will continue to make a significant increase to production in 1981. Production of grains was mixed, but those of oilseeds and tropical products were very large in 1980.

Record harvests of the two major cereals—rice and corn—were offset by the continued failure of two expensive import food crops—wheat and dry beans—to meet expectations. Corn production, boosted by a 15-percent increase in yields and an 8-percent increase in area, was up 24 percent in 1980 to a record 20.3 million tons. The demands of the swine and poultry sectors still outstripped supply, and 1.6 million tons of corn had to be imported.

Production of 6.53 million tons of rice (milled) set a record as area increased 19 percent and production 27 percent. Domestic use left no margin for exports. In fact, Brazil imported 250,000 tons of rice to stabilize prices and to meet the deficit in the Northeast. Rainy weather, which benefited most crops, had the reverse effect on wheat, reducing the harvest to 2.6 million tons. Domestic requirements of 7.5 million tons increased the amount that had to be imported. A short bean harvest of 1.9 million tons made it necessary to import 50,000 tons.

Soybean production, aided by favorable weather and a 6-percent increase in area, rose 50 percent to a record 15 million tons. Of this, 12.9 million tons went into crush for production of 9.9 million tons of soybean meal and 2.4 million tons of soy oil. Domestic consumption of soybean meal climbed to 2.9 million tons because of increased swine and poultry feed needs, leaving large stocks for exports. Cottonseed, the largest of the other oilseeds, had a production of 1 million tons; peanuts and castorbeans production was much smaller at 545,000 tons and 315,000 tons, respectively. Brazil is seriously reviewing the potential of soybean and other vegetable oils as substitutes for diesel fuel and has allocated $240 million for their expansion.

Brazil's three important tropical crops were on the brink of major increases in 1980. The Government's long-term investment programs in coffee, cocoa, and sugar will result in major increases in production in 1981. Bad weather was the reason this increase did not occur in 1980. Brazil's billion-dollar coffee replanting program, begun in 1974 and intensified after the frost of 1975, will turn out its first big harvest of 28 million bags in 1981. The 1979 June frost damaged the 1980 crop at the blooming stage and thus prevented a bumper 1980 harvest. Blooming was successful for the 1981 crop and the outlook is for the largest crop since the bonanza harvest of 1965. A similar long-term investment program, covering a 15 year replanting program, will payoff with a record 1980-81 cocoa harvest of 340,000 tons of cocoa

beans. Only the Ivory Coast is a larger producer at 350,000 tons.

Brazil's investments in the sugar and alcohol industries, as well as higher in world prices, increased the demand for a much larger sugarcane harvest. Brazil invested $819 million in the construction of alcohol distilleries since 1975, and sugar refinery capacity is now 12 million tons. The rise in average world sugar prices to 28.65 cents per pound in 1980 gave Brazil an incentive for maximizing exports. Sugarcane production increased 10 percent in 1980 to 142 million tons. The 1980-81 program scheduled an output of 8.2 million tons of sugar (providing 2.5 million tons for export) and 4 billion liters of alcohol. Prices to cane growers were raised to $8.19 per ton in the South and $12 per ton in the Northeast. The Alcohol Program's target for 1985 alcohol production is 10.7 billion liters. In 1980, the alcohol component for all gasohol was 20 percent, and the Government authorized production of 250,000 alcohol-powered cars.

Cotton production increased 6 percent in 1980 to 575,000 tons largely the result of a 20 to 30 percent increase in yields as more extensive use was made of the improved IAC-17 seed. The trend in Brazil is to utilize as much raw cotton as possible in the domestic textile industry and to export the manufactured goods. Tobacco production dropped 16 percent to 338,000 tons because of wet weather and low prices. The orange crop was a 8.8 million tons and caused Brazil to have in excess of 200,000 tons of frozen concentrated orange juice (FCOJ) at the end of 1980. The January 1981 freeze in Florida led to the sale of these stocks.

In the livestock sector, beef production was up 5 percent to 2.2 million tons, the first rise in production since 1977 when low prices led to heavy cow slaughter. The 60-percent increase in the price of beef sent consumers scrambling to cut food costs by shifting to pork and poultry. Pork production was up 1 percent to 1 million tons and poultry meat production soared 26 percent to 1.4 million tons. Brazil imported 1.6 million tons of corn to meet the increased demand for poultry feed.

Milk production was up only slightly from 1979's 10.1 million tons to 10.2 million tons because of the higher input costs. Brazil had to import 58,000 tons of nonfat dried milk to supplement domestic supplies. The 1981 dairy outlook is more favorable, because pasture conditions are good and producer prices for milk were raised three times.

The outlook for Brazilian agriculture in 1981 is for a second consecutive year of plenty following two years of drought. Weather conditions during the fall 1980 were good for planting and record harvests of corn, rice, and soybeans are expected. Increases in sugarcane production are scheduled to meet the dual needs of the sugar and alcohol industries. The western frontier is the key to future growth; soybeans will spread in Mato Grosso, and Brazil has plans to irrigate wheat production in the dry valleys of the campo cerrado.

Brazil aimed at raising exports to a value of $20 billion in 1980 and planned for agriculture to provide almost a half. Total agricultural exports earned $9.4 billion, very near the goal, and Brazil became the second largest agricultural exporter after the United States. The export goal for 1981 is $26 billion; the agricultural sector will probably contribute 50 percent. Agricultural exports, which constituted 48 percent of the export total of $20.1 billion, were followed by manufactured products, iron ore, and forest products. Three commodities—coffee, soybeans, and sugar—each had an export value in excess of $1 billion. The largest was coffee, estimated at $2.75 billion, followed by soybeans (soybeans, oil and meal) with a value of $2.175 million. Export volumes were soybeans 1,524,994 tons; soyoil, 721,058 tons; and soymeal, 6,260,550 tons. Exports of sugar made the sharpest advance, rising from $364 million in 1979 to $1.3 billion in 1980 as prices rose. Cocoa earnings dropped to $700 million because prices and volume were both down. The value of orange juice exports (FCOJ) showed only a nomimal change to $318 million. The Government repealed its minimum export price of $900 per metric ton as marketing problems emerged and stocks accumulated. The price dropped to $500 per ton, but is expected to rise in the wake of the January 1981 Florida freeze.

Although the value of processed beef exports at $227 million was the highest among livestock products in 1980, poultry meat exports registered the sharpest rise, going from $81 million to $168 million. Volume jumped from 81,000 tons to 160,000 tons. Expected export volume in 1981 is 260,000 tons, most of which is already under contract for Persian Gulf markets and the USSR. The value of 1980 hides and skins exports was $102 million.

Brazil facilitates exports by providing credit for export operations and tax incentives for processed products. Exports of soybean products, which use the excess capacity of the crushing industry are favored over the export of soybeans. The Brazilian Government did not push trade with the USSR to take advantage of the U.S. embargo, but it did permit private traders to export. Shipments to the USSR included 129,093 tons of soybeans and 34,957 tons of soyoil.

Brazil's 1980 food import bill of $2 billion included $1 billion for wheat, $280 million for corn, $60 million for apples and pears, and $24 million for dry beans. The Wheat Board authorized imports of 4.6 million tons of wheat. The principal sources were the United States 2 million tons, and Canada 1.8 million tons. Imports of wheat from Argentina, 500,000 tons, were minimal after February. Canada became the major competitor of the U.S. by agreeing to supply 1.8 million tons on concessional terms. To improve its competitive position in 1981, the U.S. provided exporters with guaranties under GSM-102 for U.S. $190 million (equal to 950,000 tons of wheat).

Brazil imported 1.6 million tons of corn to cover deficits in the dry Northeast and feed supply needs in the South. The suppliers of rice imports, which totaled 238,500 tons, were Burma 100,000 tons; Philippines, 60,000 tons; Thailand, 30,000 tons; United States, 20,000 tons; Uruguay, 18,500 tons; and India, 10,000 tons. Fertilizer imports were in excess of $500 million.

U.S. agricultural exports to Brazil increased in value 27 percent in 1980 to a total value $680 million. Wheat and corn accounted for 90 percent ($613 million) of the value with volumes of 2 million tons and 1.7 million tons, respectively. Other exports were so small compared with these that only pulses exceeded $10 million for a value of

$11.5 million. Export values in excess of $5 million were posted by tallow, 18,125 tons; rice, 19,973 tons; seeds; vegetables; and preparations.

U.S. agricultural imports from Brazil were up 34 percent in value to $2 billion in 1980. Three tropical products accounted for 83 percent of imports: coffee, $1 billion; sugar, $415 million; and cocoa and cocoa products, $198 million. Compared with these, all other imports were small and none exceeded $50 million in value. Among these were castor oil, pepper, and cashew nuts.

The outlook is again favorable for U.S. exports in 1981. The forecast for wheat exports is a 25-percent rise to 2.5 million tons. Brazil authorized 400,000 tons of corn imports in spring 1981, all of which may come from the United States. (Samuel O. Ruff)

CHILE

Chilean GDP grew approximately 6.5 percent in 1980, compared to an average 8.3 percent during 1976-79. The slowdown reflected lower rates of growth in manufacturing and commerce arising from increased competition from imports and low levels of domestic investment during the past few years. Positive trends in 1980 included an increase in capital investment as a percentage of GDP from 16 percent in 1979 to 18 percent in 1980, a decrease in inflation from 39 percent in 1979 to 31 percent in 1980, and a slight easing of the high level of unemployment.

Both exports and imports grew, making 1980 the sixth consecutive year of increased trade. Exports were up 28 percent over 1979 to $4.8 billion; import registrations rose 38 percent to $5.8 billion. Much of the export growth occurred in nontraditional exports such as lumber, new mineral exports, and fresh and processed foodstuffs. The large increase in imports was encouraged by Chile's fixed exchange rate, its higher rate of inflation than that of the principal countries from which it bought, and its low import tariffs. The trade deficit widened from $450 million in 1979 to just over $1 billion, but capital inflows for new loans and investments compensated for the deficit. Consequently, the balance of payments was strongly positive. The increased overseas borrowings, however, led to a 14-percent jump in Chile's already high net foreign debt.

During 1980, the Government continued its policy of reducing state intervention in agriculture. It sold three of the five state-owned sugarbeet processing plants to private companies, granted ownership titles to farmers (in a continuation of the agrarian reform), and facilitated the sale of uneconomically small plots by repealing the laws that prohibited the subdivision of land into plots smaller than 20 hectares without government permission. These actions, along with previous ones (elimination of price supports, the closing of the State marketing agency, the reduction of import tariffs to 10 percent ad valorem, and the shifting of financing responsibility to the private sector), heightened the sensitivity of Chilean agricultural production to international prices and their fluctuations.

Commodity trends evident in 1979 as a result of this market-oriented policy continued in 1980. The area devoted to wheat, Chile's largest crop, decreased 3 percent to 546,000 hectares, continuing its steady decline since 1976. Sugarbeet area dropped 31 percent to only 11,000 hectares, representing an 82-percent area decline since 1976. Pulses and fruits continued their upward trends in area, with gains in 1980 of 5 and 8 percent, respectively. Expansion of livestock operations continued.

Agricultural production remained unchanged from its 1979 record, but performance was mixed. Although livestock production rose 9 percent, bad weather and decisions to plant less of some commodities (based on relative costs and prices) caused crop production to decline 9 percent.

Wheat, corn, rice, beans, and wine grapes were hurt by unusually wet weather at the end of the growing season and during harvest. The excess moisture delayed harvesting and lowered yields. (In the case of corn, an excessively cool and wet planting season also delayed plantings, lowering area.) Current estimates put wheat production at 966,000 tons (down only 2 percent from 1979), but output could be as much as 150,000 tons lower, judging from the smaller quantity that came into the mills and the crop reports published around harvest time. Wine was off 20 percent from 1979; corn, 17 percent; beans, 28 percent; and rice, 48 percent. With wheat, these crops accounted for over half of total crop production and approximately a third of all agricultural output.

Potatoes and apples were the most important crops showing production increases in 1980. Potato production, 903,000 tons, was up 17 percent over 1979 and was back on trend relative to the 1970's. The increase occurred because of a 10-percent expansion of area (based on high 1979 prices) and a 7-percent increase from 1979's low yield. Apples, grown almost entirely for export, rose 15 percent to 195,000 tons as more trees began bearing fruit.

Livestock production rose 9 percent in 1980 because of a strong rise in demand (due to increased consumer purchasing power) and a greater availability of animals for slaughter (due to price-induced herd buildups). As elsewhere in Latin America the increase was led by poultry, up 31 percent over 1979 to 105,000 tons, and pork, up 13 percent to 53,000 tons. Beef production declined 2 percent to 180,000 tons because of the competition from cheaper pork and poultry. Milk output was up 10 percent to a record 1,050 million liters, owing to improved pasture conditions (in contrast to the drought-affected pastures of 1978 and 1979) and higher milk yields.

Chile's agricultural balance of trade went further into deficit in 1980. Agricultural exports, consisting primarily of apples, grapes, and other fruit, increased 28 percent in value to $381 million for the first 10 months of 1980, relative to the same period in 1979. Imports, however, jumped 66 percent to $800 million in this period, because of lower 1980 crop production, unavailability of excess stocks, and growing demand. The only significant declines in imports were in edible oils, because of reliance on oil stocks to supplement production, and in raw cotton, because of lower demand from cotton producers who were unable to compete with imported fabrics.

Chile's reliance on imports to meet domestic requirements increased in 1980. The principal imports—wheat, corn, and sugar—represented an estimated 49, 47, and 76 percent of the consumption of these commodities, respectively, in 1980, compared with 46, 29, and 56 percent during 1975-79.

Wheat and corn imports were supplied entirely by the United States in 1980, in contrast to recent years when Argentina supplied all or most of the corn and a sizable portion of the wheat. Higher Argentine than U.S. prices for these commodities accounted for the shift. Chile's fruit exports, estimated at a record 248,000 tons, went primarily to the United States, Saudi Arabia, Holland, Brazil, and Venezuela.

Investments over the past few years and an excellent 1980 fish catch resulted in record fishmeal and high fish oil production for Chile in 1980. Chilean production of these commodities exceeded Peruvian levels for the first time. With the termination of fish oil exports by Peru (the third time in 4 years), Chile also led in fish oil exports. As usual, Chile supplemented fishmeal production with imported soybean meal to meet its growing demand for feed. The approximately 50,000 tons of soybean meal imported in 1980 were nearly double the 1979 level and came mostly from Paraguay.

Per capita consumption for most food groups increased in 1980. Although grain consumption of 205 kilograms was down slightly, potato (58 kgs.) and meat (33 kgs.) consumption rose 6 and 8 percent, respectively. Sugar, dairy, and edible oil consumption also increased.

The economic outlook is favorable with respect to GDP growth and trade, although inflation and unemployment are likely to remain serious problems. The restructuring of the economy will continue to mean a difficult transition period for some.

The agricultural outlook is for a 7-percent increase in production and continued shifts in commodity composition. Wheat area will likely decline 16 percent because of low price expectations. Given normal yields and consumption, production will be only 800,000 tons, and sharply higher imports (possibly 1.2 million tons, up 26 percent over 1980) will likely be required. Corn production will probably rise 5 percent, but with an expected 26-percent increase in demand, coming mostly from the pork and poultry sectors, another jump in corn imports is anticipated. Sharply higher world sugar prices in 1980 encouraged a tripling of sugarbeet area, reversing the 1976-80 trend; higher production and smaller imports are virtually certain. Finally, the cattle herd buildup of the past several years and rising real per capita income are expected to encourage greater beef slaughter and more beef production. The announcement in January 1981 that Chile was free of Foot and Mouth Disease will likely encourage cattlemen to import breeding cattle for eventual beef exportation. (Lisa J. Shapiro).

COLOMBIA

Real economic growth in Colombia during 1980 slowed to 4 percent, the lowest increase in the past decade, with the exception of 1975 when GDP increased by only 3.8 percent. The economy faced a variety of adverse conditions—inclement weather affected agricultural production, labor tension hamstrung industrial output, and the inefficient industrial base faced increasing competition from legal and illegal imports. The trade balance for 1980 was in deficit by $1.3 billion, because the Government allowed higher imports of capital goods to increase industrial productivity, and consumer goods to lower domestic inflation (26.5 percent). Revenues from coffee and illegal narcotic exports, plus international loans, increased Colombia's foreign reserves at the end of 1980 to $5.4 billion, the highest on record.

In 1980, agriculture continued to be the most important sector of the economy, contributing 23 percent to GDP. The value of crop production was up 3.3 percent, compared to the 4-percent rise in 1979. Slower growth in 1980 was primarily the result of inclement weather and rapidly rising costs of production. Crops showing the greatest increase in output were cotton, 25 percent; sugarcane, 20 percent; and beans, 12 percent. Seven crops had increases between 5 and 10 percent: wheat, bananas, tobacco, palm oil, cocoa, soybeans, and plantain. Coffee increased only 3 percent. Output decreased for corn, 2 percent; rice, 7 percent; potato, 12 percent; sorghum, 14 percent; sesame, 17 percent; and barley, 20 percent.

The drop in production of many crops, especially grains, can be attributed to lower yields, as severe drought at the beginning of the year affected lowland crops, and then more drought and frosts affected upland production at year's end. Production costs continued to skyrocket as fertilizer prices rose by over 100 percent and rural wages rose by 20 to 25 percent. Freight charges and the cost of renting or buying agricultural land also continued their upward spiral of recent years. Tight credit, a part of the Government's policy to fight inflation, was another limiting factor in 1980.

Colombia's principal cash crop is coffee, which annually provides 60 to 65 percent of national export revenues. Coffee production in 1980 was 12.7 million 60-kg. bags or 100,000 bags above the 1979 record, despite damage to the crop caused by hailstorms in July and August 1980. However, for the first time in over a decade, area planted did not increase, because coffee growers were concerned about the anticipated 1981 Brazilian bumper crop and its effect on world prices.

The bright spots in Colombian agricultural production in 1980 were sugar and cotton. Because most of the sugar area planted was irrigated, cane production was not greatly affected by the drought. Fertilizer use and area planted increased because of the greater profitability of the crop, a result of the strong export market. Cotton production, despite the depressed domestic textile industry, surged back strongly in 1980 in response to improved world prices and excellent weather for the winter crop.

Colombian oilseed production continued its upward trend in 1980, but domestic use grew even faster, causing an increasing deficit in oilseed availability. The sources of increased oilseed production in 1980 were larger harvested areas of African Palm and soybeans. Grain pro-

duction in 1980 was the lowest in three years, because the poor weather caused reductions in area and yield. Corn production suffered because scattered rains necessitated replanting and adversely affected plant growth. Sorghum and barley production dropped to the lowest levels in several years; yields were affected by lack of timely rains and unattractive prices contributed to a decrease in area planted.

Cattle ranchers continued to expand their herds in 1980, encouraged by growing domestic demand and development of new markets in Russia, Israel and Peru. The national cattle population was up 4 percent over 1979 to 28.4 million head. Cattle slaughter in 1980 was 3.32 million head, up 1 percent from 1979. Dairy cattle comprise about 15 percent of the total herd. An increase decreed by the Government in milk prices in late 1979, caused 1980 milk production to increase 19 percent. Production of poultry meat and pork increased 12 percent and 4 percent respectively, despite a 25-percent rise in feed prices. The Government authorized the importation of $26 million of corn and sorghum in order to cover the growing demand from animal feed manufacturers.

Agricultural exports grew by 19.8 percent to $3.6 billion in 1980, because larger volumes of coffee, cotton, cut flowers, bananas, table grapes, tobacco leaf and sugar were exported. In the 1980 marketing year, coffee exports were 11.5 million bags, the largest volume Colombia has ever exported. U.S. imports were 27.9 percent of this total, while West Germany, Holland, Spain, and Sweden were the other principal markets. Sugar exports were about $500 million in 1980, or almost twice their value in 1979. The increase in exports resulted from Colombia's entrance into the International Sugar Agreement and the high 1980 world sugar prices. Among other export crops, bananas earned $98 million, up 21 percent over 1979. Flower exports continued their rapid expansion, reaching $90 million, an increase of 22 percent over 1979.

The principal agricultural import in 1980 was again wheat, as a record 649,000 tons were contracted in December 1979 for delivery in 1980. Colombia had never contracted for such large quantities of wheat, and in late 1980, the National Agricultural Marketing Agency (IDEMA) tried to arrange for the substitution of 150,000 tons of corn for wheat, so that final figures for 1980 arrivals of wheat may be somewhat lower than originally contracted. 0ther major imports in 1980 were: sorghum, 200,000 tons for the feed industry; corn, 130,000 tons for the food industry and as a substitute for sorghum used in the feed sector; barley, 70,000 tons for use by the rapidly expanding brewery industry; and soybean oil, 79,000 tons to meet the growing demand for vegetable oil. Colombia also continued to import significant quantities of powdered milk, fish oil, tallow, lard, and cacao.

The United States is the principal supplier of agricultural products to Colombia, accounting for 80 to 85 percent of Colombian agricultural imports each year. In 1980, U.S. agricultural exports to Colombia were $266 million, up 8 percent over 1979. Principal imports from the United States were wheat $106 million; vegetable and animal oils, $69 million; and yellow corn, $38 million. The United States is also an important export market for Colombia, and in 1980 imported $1 billion of agricultural products from Colombia. Coffee accounted for 76 percent of this total; followed by sugar and molasses, 10 percent; cut flowers, 7 percent; and plantains, 4 percent.

The 1981 outlook for the Colombian economy is for a continuation of conditions which contributed to moderate economic growth in 1980. Inflation will continue to be a problem, as the increasing cost of oil imports and the existance of a large illegal narcotic and contraband sector continue to hamper the effectiveness of the Government's fiscal policy. Agricultural prospects are poor, because the winter crop is expected to suffer from the drought and frosts of late 1980. Imports of grains will probably increase because of the 1980-81 shortfalls in output. Oilseed imports are expected to continue because of strong growth in demand. The greatest expansion, particularly for U.S. exports, is likely to be in the area of specialty items, such as frozen vegetables and convenience foods. Revenues from Colombia's agricultural exports are expected to increase again in 1981—the result of increased exports of sugar, cotton, bananas and cut flowers. Coffee exports are expected to stay at the same level or increase slightly. (Paul J. Trapido)

ECUADOR

After the 1979 return to civilian government, 1980 proved to be a year of economic consolidation for Ecuador. General uncertainty about the economic policies of the new Government contributed to slow GDP growth to 4.3 percent, the smallest increase since 1975. Inflation, at 16 percent, was slightly higher than in 1979, primarily the result of increases in the national minimum wage. Manufacturing was the strongest sector (10 percent increase); mining, construction, and agricultural sectors grew at slower rates. Exports continued strong, primarily because high oil prices increased oil revenues to $1.5 billion—up 25 percent. Ecuador had no problem attaining a positive balance of payments of $680 million in 1980.

Agricultural production increased 8.8 percent in 1980, because rains in February and March 1980 broke a drought that began in late 1976. Rice, potatoes, cotton, and cocoa production set records. Nevertheless, agriculture's contribution to GDP dropped to 14 percent from 19 percent in 1979. Agricultural exports fell 20 percent from 1979 to $650 million because of lower coffee and cocoa prices. Higher wheat prices were responsible for the increase in the value of agricultural imports from $271 million in 1979 to $350 million in 1980. Principal 1980 agricultural exports were coffee beans and coffee products, 5.8 percent of total exports; cocoa beans and products, 8.5 percent; bananas, 9.6 percent; and sugar, 1.9 percent. The United States was again the principal market for Ecuador's agricultural exports (51 percent—$356 million) and also an important supplier (35 percent—$119 million).

Ecuador's agriculture policy in 1980 was directed at providing greater incentives to producers. Farm support prices were raised an average of 6 percent, imports of

agricultural products were restricted, and controlled prices of milk, rice, and other agricultural products for the urban consumer were raised. Other on-going agricultural projects also began to have an impact on the sector. The 1977-78 National Cacao Planting Program was partially responsible for the record 1980 crop. A program to expand the production of African Palm in the Oriente also began to contribute to national production. Two new soluble coffee processing plants opened in late 1980 and will increase production capacity 30 percent.

Higher yields attained because of the improved weather were the principal factor affecting 1980 agricultural production. Grain production was up 23 percent, primarily a result of the larger rice crop. Oilseed production also increased by 16 percent, mostly from the higher output of soybeans. Among export crops, coffee and banana production increased slightly, while cocoa production reached a record high. The production of the three traditional cash crops—sugar, cotton, and tobacco—all improved in 1980.

Production of hard corn, the principal feed grain in Ecuador, was up because rains in early 1980 improved yields, and higher support prices resulted in increased area. The Government raised corn prices 22 percent to $247 per ton for the 1980 season in response to the widespread unavailability of corn brought on by the 1979 drought. An estimated 81,000 tons of soft corn, for human consumption, was produced on small farms throughout the Sierra.

Rice is the most important food grain produced in Ecuador. Good weather and an extra planting in February-March 1980, after the 1979 crop failed, resulted in the largest rice harvest ever. Area was 23 percent higher than in 1979, and yields were up 15 percent. Because of inadequate supplies in early 1980, Ecuador imported 25,000 tons of rice from Colombia and Venezuela.

Coffee production increased slightly in 1980, as previous plantings began to yield beans. However, exports of coffee beans were down 49 percent to $123.3 million, because traders began to build stocks rather than sell at falling world prices. Coffee bean exports made up only 22 percent of the total value of agricultural exports in 1980, compared to 45 percent in 1979. However, a 76-percent increase in exports of soluble coffee compensated for the decline in bean exports. Output of soluble coffee will continue to grow as a result of new processing plants.

Cocoa production benefited from the three years of drought that lessened the impact of plant fungus on yields. In addition, the National Cocoa Program (1977-1978) was successful in both increasing area planted and in renovating existing trees. In 1980, the result was a record crop of 95,000 tons of cocoa beans. Despite the record crop and the higher volume of exports, the value of cocoa and cocoa product exports dropped from $276 million in 1979 to $211 million in 1980—reflecting the dropping international cocoa price in late 1980.

Ecuador is the world's largest exporter of bananas, and 1980 production was similar to that of the 1970's. Despite a small drop in the quantity of exports in 1980, their value was way up (18.5 percent to $237 million) because of higher export prices. Exporters expressed concern however, at falling sales to Eastern Europe, an important market that is being taken over by Colombia and Brazil.

The beef and dairy cattle populations have decreased yearly since 1976. The principal reason was poor pasture conditions because of the drought. Though pasture conditions improved in 1980, the lack of any livestock repopulation program and an increased slaughter rate resulted in a 13-percent drop in the total cattle numbers to 1.89 million head on January 1, 1981. Similarly, milk production dropped for the fourth consecutive year because of heavy culling of herds. Government controls on milk prices also acted as a disincentive to producers. On the bright side, pork and poultry production continued their rapid growth in 1980, with poultry consumption estimated to have risen 33 percent during the year. As in past years, there were no imports or exports of meat or meat products. Foot and Mouth Disease continues to be a serious problem.

Economic growth in 1981 will continue at 4 to 5 percent as petroleum exports continue to provide a strong external sector. The outlook for 1981 agricultural production is good, because of the break in the drought and higher agricultural support prices.

The outlook for 1981 trade remains unchanged. Because of the Government's import substitution policy, wheat, barley and sorghum imports will show only a slight increase. Oilseed imports, and especially soymeal imports, will be up considerably because of the expected 1981 drop in domestic oilseed production. Exports of coffee should increase as coffee bean stocks move to market. (Paul J. Trapido)

GUYANA

Total output from the three principle industries—bauxite, sugar, and rice—essentially stagnated during the past 3 years. Rising prices in export markets ameliorated some of the depressing effects of production shortfalls, but real growth in 1980 remained slightly negative. As 1980 ended, electric power remained scarce; the infrastructure continued to crumble; consumption taxes were up; inflation continued to rise; food stocks were thin; machinery and spare parts were in short supply; and business transactions, particularly those in the critical import-export sector, remained difficult to complete.

Most people in Guyana, however, appeared to have enough food, clothing, and shelter. Nevertheless, a high proportion of income had to be used to purchase imported commodities such as grains, vegetable oil, petroleum products, and other consumable items that were not produced locally.

Crop and livestock production improved little during the past 3 years. The Guyana Sugar Corporation, GUYSUCO, recently announced that the early arrival of the December rains curtailed the fall sugarcane harvest in 1980. Consequently, raw sugar production totaled only 274,000 tons, compared with 303,000 tons in 1979.

Although milled-rice production was up 16 percent over 1979, it was still 35,000 tons short of the

Government's goal of 200,000 tons. The 1980 spring rice crop was exceptionally good as favorable weather bolstered yields, but the fall crop fell short of expectations, because machinery shortages and adverse weather reduced plantings and yields. Prospects currently look good for the 1981 spring crop, because the growing season was ideal and the targeted planting of about 41,000 hectares was completed on schedule in the fall of 1980.

Significant increases in sugar and rice production in 1981 remain totally dependent upon favorable weather, adequate supplies of machinery and fertilizer, effective insect and disease control, and a minimum of work stoppages. Overall increases in livestock and crop production are not anticipated in 1981, because the massive supplies of capital and technology required to expand production are not likely to be available as long as Guyana continues to have a severe balance-of-payments problem.

Guyana's import requirements, however, continue to grow steadily as the population expands with zero economic growth. During recent years, the current dollar value of Guyana's imports increased approximately 10 percent per year, and the total value of agricultural imports now approaches $60 million per year. The U.S. share, $20 million in 1980, averaged about one-third of the total during the past 5 years. Guyana currently buys about 55,000 tons of milling wheat from the United States annually. In addition, 25,000 tons of wheat flour were purchased from Trinidad in 1980.

Little improvement in domestic production of agricultural and nonagricultural commodities is expected during 1981. The economic situation in Guyana remains critical. Unless some unanticipated economic windfalls appear during the year, the large external debt will continue to grow, and tighter governmental controls may be needed to avoid bankruptcy. (Richard Brown)

PARAGUAY

Paraguay sustained its rapid economic growth rate in 1980 based on a strong agricultural sector and income from the Itaipu energy construction project (about $300 million for materials, wages, and housing of construction personnel). Real GDP growth was about 11 percent, slightly higher than 1979. Industrial and agricultural production were both up about 7 percent. Construction increased 30 percent in spite of credit tightening measures by the Central Bank to bring down the rate of inflation (28 percent in 1979, 22 percent in 1980). Exports increased 18 percent to $360 million, while imports rose 27 percent to $550 million. Though this created a negative trade balance of $190 million, capital inflows caused the balance of payments to rise to $160 million, increasing Paraguay's foreign exchange reserves 27 percent to $780 million.

The 1981 economic outlook for Paraguay is one of continued expansion. Income from the Itaipu project will be augmented by the start of work on Yacyreta, a second hydroelectric complex on the Parana River. Site selection for a third dam at Corpus has yet to be finalized. One effect of this rapid energy expansion is likely to be an increase in inflation, which may prove difficult to control.

Agriculture accounted for only about 33 percent of GDP in 1980, even though the sector employs around 60 percent of wage-earners.

Total grain production increased about 6 percent, in spite of a 40-percent drop in wheat production caused by insects and drought, as area and yields of both rice and corn increased. Oilseed production rose 25 percent. The soybean crop was up 33 percent from 1979 because of increased area but outturn was less than originally forecast because of insects and drought. Recovery from low 1979 yields resulted in a 6-percent increase in cotton production. Tobacco production was off 42 percent in 1980 as weak international demand for Paraguayan tobacco brought about shifts in production to cotton and soybeans.

Agricultural exports, which accounted for 82 percent of total exports in 1980, amounted to about $300 million. The greatest share of these were soybean exports, which increased 35 percent over 1979 to 470,000 tons. Major buyers were Western European countries and Brazil. Tobacco exports were off slightly at 13,000 tons because demand for dark cured tobacco in France, the principal market, continued to weaken. Exports of lint cotton fell 12 percent to 68,000 tons, reflecting the poor 1979 crop. Buyers were Western Europe, Uruguay, Argentina, and Japan.

Wheat is the only agricultural product imported by Paraguay on a large scale. Registered wheat imports in 1980 amounted to about 60,000 tons, all of which came from Argentina.

Grain production in 1981 will likely register a slight increase with recovery of the wheat crop. A substantial increase in oilseed production is forecast, however. Improvement from 1979 in the international price of soybeans will probably overcome farmers' discouragement at having three consecutive poor harvests, resulting in a slight rise in sown area. Assuming favorable weather, yields should recover and production should be about 700,000 tons. Expanded plantings of cotton, because of good 1980 yields and favorable international prices, should bring about a 25-percent increase in cotton production. Outturn of tobacco is expected to decrease, because Paraguay has had difficulty marketing tobacco internationally.

Soybean exports should climb about 17 percent, reflecting higher international prices. Buyers will again be Western Europe and Brazil. Exports of cotton will increase significantly, while those of tobacco will fall off even further. (Alan Maurer)

PERU

The Peruvian economy continued its gradual recovery from the 1976-78 recession. Growth of 3.6 percent in 1980 was based on increased manufacturing, construction, mineral, and petroleum production and was stimulated by higher world prices for Peruvian exports, import liberalization measures, and renewed business confidence owing to the July 1980 installation of a Government

committed to a market-oriented economic policy. Exports rose 12 percent over 1979's level to $3.9 billion; imports jumped 61 percent to $3.4 billion. The balance of payments at the end of 1980 remained positive because of the continued, though lower, trade surplus and net capital inflows. Adequate international reserves eased repayment of Peru's sizable external debt.

Weaknesses in the economy were continued high inflation and high un- and underemployment. Real wages rose as a result of government-decreed, across-the-board wage increases and strike settlements but remained below those of the early 1970's. In an effort to control inflation, the Government continued its policy of frequent minidevaluations.

Agricultural production declined nearly 4 percent in 1980, owing primarily to the accumulated effects of a 3-year drought throughout most of Peru's agricultural zones. On a per capita basis, production was lower than at any time in the past 30 years.

Crops, 60 percent of total agriculture, fared worse than livestock. Crop output declined 11 percent from 1979. The drought discouraged farmers from planting as much as in earlier years; area harvested was off 7 percent from 1979 and 11 percent compared to 1977, the last predrought year. It also hurt yields, which declined 10 percent from 1979 and 26 percent from 1977. The only important crop that did not decrease in output was cotton. Because cotton enjoyed high prices and had lower water requirements than other crops grown on the Peruvian coast, many producers switched to cotton.

As a result of a 33-percent increase in poultry meat, livestock production grew nearly 10 percent. The remarkable growth in poultry production to 114,000 tons was in response to strong consumer demand. Beef production, in contrast, declined 5 percent to 74,00 tons. After 2 years of premature slaughter brought on by drought, there were fewer cattle available for slaughter in 1980. Additionally, low government-controlled prices led producers to withhold animals from the market or to slaughter them in unrecorded channels, and dry pastures caused meat yields to decline.

Agricultural imports rose 71 percent to $506 million and accounted for a larger-than-normal share (15 percent) of total imports in 1980. Higher unit prices and sharply higher import volumes were behind the increase. Very low production coupled with rising demand resulted in the near tripling of corn imports to 485,000 tons; a record volume of rice imports; and the need, for the first time ever, for sizable sugar imports. Dairy and edible oil imports also rose.

Import liberalization also contributed to the higher volume of imports. The Government authorized private-sector imports of most agricultural products and lowered existing import duties. The principal new imports on account of import liberalization were soybean meal (48,000 tons from the United States and Bolivia) and red meats (15,000 tons from Uruguay, Argentina, and New Zealand).

Wheat continued to be the largest agricultural import. Late shipments rather than reduced demand lowered 1980 imports 1 percent to 813,000 tons. Imports of 830,000 tons (a slight increase from 1979) had been planned.

The United States supplied 66 percent of Peru's agricultural imports in 1980, up from 59 percent during 1977-79. This included 80 percent of the wheat, all the corn, 81 percent of the vegetable oils, and 43 percent of the rice. The remainder of the wheat came from Argentina before Argentina's supplies were committed to the Soviet Union. The rest of the rice came from the PRC, 24 percent; Argentina, 16 percent; and others. As in earlier years, dairy products were supplied by New Zealand.

Agricultural exports, valued at $313 million, were down 25 percent from 1979 because of the termination of sugar exports (due to low production) and a sharp decline in coffee, the leading export. Coffee exports of 44,000 tons, valued at $141 million, were down 36 percent by volume and 42 percent by value. The reduced volume of coffee exports was caused by low production, which in turn was caused by untimely rains and coffee rust in some locations. Raw cotton exports of 32,000 tons, valued at $71 million (up 60 and 45 percent by volume and value, respectively), were the only other significant agricultural export. The United States took a smaller-than-normal share (42 percent compared to 60 percent in 1979) of the exports, owing to the drop in sugar sales.

A drop in biomass forced the Government to restrict fishing in 1980. Consequently, the catch of fish for processing was off 40 percent from 1979. Preliminary estimates indicate a 34-percent decline from 1979 in fishmeal production from 1979 to 452,000 tons and a 41-percent decline in fish oil to 78,000 tons. These amounts leave Peru behind Chile in South American production. Most of the fishmeal produced was exported, but the fish oil was kept for domestic use. Fishmeal stocks were drawn down and supplemented by imported soybean meal to meet domestic requirements for protein feed.

Even with imports, per capita food supplies were no higher than in 1979 and considerably below supplies available in 1970. The 1980 per capita supply of grains, 51 kilograms, was 12 percent below 1970; potatoes, 73 kilograms, were 53 percent lower; and meats, 16 kilograms, were 13 percent less.

Most food staples in Peru are subject to Government price control. In late 1979, desiring to maintain low retail food prices and at the same time stimulate production by setting profitable producer and processor prices, the Government re-initiated subsidization of both the price of imported foodstuffs and domestic production of the same commodities. Food subsidies for wheat, rice, sugar, milk, vegetable oils, and other products cost approximately $300 million in 1980. By the end of 1980, the Government concluded that the subsidies were too costly and, in January 1981, sharply raised most producer, processor, and retail prices under its control.

The Government which took over in July 1980 announced that improving Peru's food situation was its highest priority. Its policy objectives were spelled out in the Agricultural Promotion and Development Law passed in December, 1980. These were to stimulate agricultural production and marketing, to improve rural living standards, and to stimulate investment in agro-industry. The

law encouraged a greater role for the private sector by providing tax and other incentives for investment (particularly in Peru's vast jungle), making all land purchasable and mortgagable, and by reducing the Government's role in agricultural marketing. The Government undertook to carry out a wide variety of projects to expand area and improve yields and thus increase production. A second law, reorganizing the Ministry of Agriculture and Food, created a separate agency for food and stressed the decentralization of the Ministry of Agriculture's work to its 17 regional administrative offices.

The 1979-80 trend toward economic recovery and the market orientation of the new Government suggest expanded private sector activity in 1981. Imports are likely to increase considerably because of the anticipated growth in GDP and import liberalization and could outpace the growth of export-oriented production, resulting in a further decline in the balance of trade. Inflation, unemployment, and excessive Government spending are certain to be major problems in 1981. Avoiding a repetition of the large food subsidy expenditures of 1980 will be complicated by rising world food prices and the Government's devaluation policy.

The outlook for agricultural production in 1981 depends on the continuation of the rain that fell through February 1981. With adequate rainfall, 1981 will be a year of partial recovery, better than the 1978-80 drought years but below 1974-77. Crops should increase 10 percent and livestock 2 percent for an aggregate gain of 7 percent. The forecast is based on increased area, improvement in yields, and expected growth of demand arising from a modest increase in consumer purchasing power. However, retail price increases decreed in January 1981 (and any future ones) could offset this growth of demand.

Agricultural imports will likely continue at high levels in 1981 because of low 1980 production, incomplete recovery of production in 1981, import liberalization, and growth of demand. The 1981 Import Plan calls for an increase to 880,000 tons of wheat and continued high levels of the other commodities imported in 1980. Agricultural exports are likely to be low again; expected lower prices for somewhat expanded coffee exports will limit the value of coffee exports and low production from drought-damaged cane fields will limit the volume of sugar exports. (Lisa J. Shapiro)

SURINAME

After nearly 3 years of mild recession, Suriname's economy showed improvement late in 1980. Preliminary estimates of GDP showed the market value of goods and services to be 10 to 15 percent higher than in 1979. But real growth was less than 2 percent, because moderate inflation persisted in 1980. Export sales for the first 3 quarters of 1980 were up about 25 percent.

Despite political problems that affected the economy during the past 3 years, Suriname continued to implement agricultural policies and programs that significantly improved agricultural output. Agricultural production has risen steadily since the early 1970's and was 42 percent higher in 1980 than in the 1969-71 base period. Rice production has been totally mechanized, and Suriname now has one of the most modern rice industries in the world. Since 1974, rice area increased 47 percent, production 60 percent, and exports expanded four times. Increased cultivation of African palm on virgin lands in the interior has been highly successful. Palm oil production will likely increase dramatically during the next 5 to 10 years as the 850 hectares of new plantings reach bearing age. Prospects for rapid growth in the shrimp industry are limited, because the government must find an effective means of protecting its coastal waters from intrusions by foreign fishing fleets. Shrimp production dropped 20 percent in 1980 from the historical peak of 5,100 tons in 1979.

The economy of Suriname remains dependent on food imports and the inflow of capital to expand production and trade. Approximately 50 percent of all production inputs and consumer goods are imported. Nevertheless, the balance of payments situation remained fairly strong, because exports continued to exceed imports by approximately $40 million in 1980; a 30-percent improvement over 1979.

Four industries dominate Suriname's export sales: bauxite, 75 percent; rice, 8 percent; shrimp, 7 percent; and forestry, 3 percent. Small quantities of palm oil, bananas, and citrus are also exported. The United States supplies 30 percent of Suriname's agricultural imports and 20 percent of total imports. U.S. agricultural exports to Suriname (over $18 million in 1980) were up slightly from 1979, even though Surinamese importers depleted inventories during the first half of 1980 in response to political uncertainty. Substantial increases in U.S. agricultural exports in the fourth quarter of 1980 suggest U.S. export sales will increase by 25 to 30 percent in 1981.

Suriname appears to be headed for continuing agricultural and nonagricultural growth in 1981. Greater inflows of investment capital, however, are needed to sustain this anticipated growth. (Richard Brown)

URUGUAY

Continuation of economic reforms in 1980 brought mixed results. GDP grew 5.3 percent in real terms. Inflation, at 48 percent, was down from 83 percent in 1979, largely because of the reduction in import duties that protected domestic industries. Scheduled devaluation of the peso relative to the U.S. dollar at less than the domestic inflation rate resulted in a record $600 million trade deficit (exports of $900 million, imports of $1,500 million), as manufactured exports dropped and imports of capital equipment and luxury goods increased. The balance of payments, however, was positive because high interest rates attracted a large influx of short-term capital funds from Argentina and other areas.

Outlook for 1981 is for a further decline in economic growth to 3 percent. Continued overvaluation of the peso will bring about another trade deficit; increasingly attractive imports will exert pressure on domestic industries to operate more efficiently. The Government is

reluctant to impose any new restrictions on foreign trade because an inflow of intermediate and capital goods is viewed as necessary to meet the needs of the growing economy. Nevertheless, the Government has provided some relief to exporters by agreeing to maintain existing export subsidies until 1985 and by lowering labor costs through a shift from a direct social security tax paid by employers to a value-added tax paid by consumers.

The agricultural sector accounted for 11 percent of Uruguay's GDP in 1980, compared with 10.8 percent in 1979. Agricultural output increased 3.6 percent despite heavy rains which adversely affected production of winter grains. Indebtedness was a serious problem in 1980 as producers faced rapidly rising input costs and relatively stable commodity prices and exporters were priced out of international markets by the minidevaluation policy. Total sector debt was about $800 million, equivalent to 69 percent of agricultural output in 1980.

Nevertheless, assuming currently favorable climatic conditions persist, agricultural production will likely increase about 10 percent in 1981; its contribution to GDP will increase to 12 percent. As in 1979 and 1980, about 75 percent of export earnings will come from agriculture as the GOU continues to encourage foreign sales of traditional products.

Total grain production in 1980 declined 13 percent because heavy rains prevented farmers from completing their planting of winter grains. Wheat outturn was down 40 percent from 1979, while oats fell 71 percent. In contrast, summer grains registered a considerable increase in production. Sorghum production increased 180 percent as yields returned to normal and farmers, beset by rapidly rising costs, cautiously increased plantings in light of large livestock numbers. Corn area increased for the same reason, though yield and consequently production were not as great as expected because of rains during harvest. Record high rice production was achieved despite a slight (3 percent) reduction in area planted. High production costs relative to international prices discouraged less efficient producers and record high yields resulted.

Ample wheat stocks carried over from a larger-than-expected 1979 crop enabled domestic supplies to satisfy domestic demand. Higher corn and sorghum production caused imports of these crops to fall from 70,000 tons in 1979 to 10,000 tons (of corn) in 1980. Total imports of grain declined 87 percent to 42,000 tons in 1980, virtually all from Argentina. Grain exports jumped 23 percent to 243,000 tons in 1980 because of large increases in rice and barley sales. Most barley was exported to Brazil; Iran was the single largest buyer of Uruguayan rice.

Assuming a return to normal weather, total grain production in 1981 should increase to about one million tons. In an effort to maintain self-sufficiency in wheat, the Government increased minimum wheat prices; this policy will likely stimulate recovery in area planted and production to 1979 levels. Coarse grain production is forecast to increase to about 450,000 tons. Corn area expansion, based on expected demand from record livestock numbers, will produce about 210,000 tons. The oat crop should recover to 70,000 tons if weather is favorable. Barley and sorghum production will probably remain at the 1980 level. Further reduction in planted area of about 8 percent is predicted for rice, as rising production costs drive out all but the most efficient producers. Production is forecast at 288,000 tons (paddy), resulting from an expected record 4.5 tons per hectare yield.

Grain imports in 1981 will increase slightly to 50,000 tons because depletion of stocks plus the poor 1980 outturn will necessitate imports of some 20,000 tons of wheat. The remainder will be barley for malting and re-export. Decreased rice sales will cause grain exports to fall to about 211,000 tons.

Oilseed production in 1980 was down 38 percent. Flaxseed outturn suffered as farmers shifted to more favorably priced wheat. Dissatisfaction with soybean prices halted a trend of several years of increased plantings, with producers switching to sunflowers where possible. A return to more favorable weather increased soybean yields, however, boosting production 29 percent. Sunflowerseed area increased 8 percent because of favorable prices, but plant disease and excessive rains at harvest time caused production to drop 40 percent. As a result, oilseed product imports consisted mostly of 7,000 tons of sunflowerseed oil from Argentina. Exports of flaxseed and linseed oil and meal jumped following the excellent 1979 crop.

In 1981 total oilseed production should return to the 1979 level, assuming more favorable weather. Flaxseed production, stimulated by strong foreign demand, is forecast to recover to the 1979 level of 65,000 tons. Farmers' indebtedness and the high cost of credit will likely prevent increases in soybean area and therefore in production of this high cost cash crop. On the other hand, sunflowerseed production in 1981 is expected to be double the poor 1980 crop.

Because more favorable prices should stimulate increases in sunflower and soybean oil production, edible oil imports will be minimal in 1981. Exports of flaxseed and linseed products will decrease because of the poor 1980 harvest.

Beef production increased 24 percent in 1980. Cattle slaughter at 1.5 million head was 15 percent above 1979 because an unusually mild winter with excellent pasture conditions allowed for an extension of the usual slaughtering season. Relatively low prices caused domestic beef consumption to jump 22 percent and exports to increase 36 percent over 1979, with Brazil the largest single buyer.

Indebtedness plagued beef producers in 1980 because inflation caused ranchers to pay 48 percent more for inputs in 1980, while average wholesale beef prices fell 12 percent. The GOU is currently studying methods of debt refinancing, but the situation remains critical.

Cattle slaughter in 1981 will likely increase another 10 percent based on large cattle numbers and increased domestic and foreign demand. Exports are forecast to increase 10 percent, with Brazil continuing as the largest buyer. The expected slaughter off-take rate of 15 percent will be below the 1975-80 average and will bring about the largest livestock inventory in Uruguay's history by the end of 1981.

Wool production in 1980 accounted for about 15 percent of the aggregate value of agricultural production. Wool exports, which account for about 60 percent of production, rose slightly despite international price disadvantages brought about by unfavorable exchange rate movement. Major wool markets were the USSR, the UK, and Italy.

Wool production and exports are forecast to increase about 6 percent in 1981 as the GOU, anxious to increase wool exports as part of its economic strategy, facilitates credit to producers and subsidizes exports. (Alan Maurer)

VENEZUELA

In 1980, the Government of Venezuela continued its policies initiated in 1979 to "cool down" the economy after its rapid expansion during the 1973-78 oil-boom. These policies include: 1) loosening price controls on consumer items to stimulate increased efficiency and production in industry, 2) restricting and re-orienting government spending to lower its inflationary impact and, 3) limiting government borrowing in international financial markets to re-structure its unbalanced debt portfolio. Largely because of these measures, there were a series of bankruptcies, government interventions in industry, work stoppages, and 20-percent inflation. In addition, output in the key manufacturing and construction sectors dropped 3 percent and 10 percent, respectively. Despite an improvement in the balance on the current account and continued growth in earnings from petroleum exports, most observers believe that there was no GDP growth in real terms in 1980. In effect, the Venezuelan economy in 1980 was paralyzed by a lack of business confidence, labor unrest, high inflation, and the high cost of servicing an excessive debt.

The dependence on agricultural imports to fill domestic food and fiber requirements continued to be the most salient feature of the Venezuelan agricultural situation in 1980. Since the 1973 oil boom the demand for agricultural products has grown at an annual rate of 10 to 15 percent a year because of rising incomes and rapid population growth, especially in urban areas. Consequently, the growth in demand for agricultural products has greatly exceeded the 7 percent annual increase in agricultural production. The result has been a widening of the gap between domestic supplies and quantities demanded, leading to a steady growth in agricultural imports. This situation was exacerbated in 1980 because Venezuelan agriculture had its worst year since 1976. There was no real growth in the agricultural sector (6.9 percent of GDP), and area harvested dropped 5 to 10 percent because heavy rains in May and June hampered harvesting in the principal grain-producing region. Farmers also faced shortages of credit because of the financial difficulties of BANDAGRO, the Government's agricultural finance agency. The production of traditional, labor-intensive crops (sugar, cotton, coffee, cacao, and beans) continued to stagnate because of the high cost and frequent unavailability of farm laborers, many of whom left rural areas for Caracas and other cities durinq the 1970's.

Insuring the availability of adequate food supplies for urban consumers (85 percent of the population) and for the food processing industry was a high priority of Government economic policy in 1980. To achieve this objective, the State Agricultural Marketing Corporation (CMA) was re-organized to allow increased importation of agricultural products by private importers. The Government also entered into a series of bilateral trade agreements with neighboring countries in the Caribbean Basin to exchange agricultural products for oil and financial assistance. To increase incentives to agricultural producers, higher support prices were set for most agricultural products and a new milk pricing system was instituted.

The most important food grains produced in Venezuela are corn and rice. Production of both crops suffered from excessive rains, credit delays, and fertilizer shortages in 1980. Corn yields were down 25 percent to 1.27 tons per hectare, and production dropped for the first time since 1976. Rice production was the lowest since 1977 as area harvested fell 6 percent. Production of sorghum, the principal feed grain, was up 8 percent because the crop was harvested before the May-June rains. Area increased by 18 percent as farmers continued to shift from corn to sorghum because the latter is more tolerant to drought.

The production of traditional cash crops followed the stable or declining pattern of the last few years. Sugar production, once adequate for domestic needs, improved slightly in 1980, but remained well below the early 1970's. Although better weather improved cotton yields and output was up 30 percent over 1979, production was still well below the average output for the 1970's. Furthermore, in 1980 the area planted to cotton continued to drop, because more and more land was diverted to sorghum, thereby reducing the labor component of production. Coffee and cocoa production continued to slide as credit was unavailable to pay for high-cost labor and bad weather reduced yields. Tobacco production has prospered in recent years, primarily because of the close contractual relationship between growers and processors and the resulting easy access to credit and technical assistance. Although late rains affected yields and the 1980 output was lower than expected, the crop was still well above the 1970-79 average.

Oilseed production was up slightly over the depressed 1979 output because of the recovery in sesame production. Total oilseed production continued to show little growth because sesame, the principal crop, faced competition for land from sorghum and rice. Despite the promising growth in peanut production in recent years, tight credit restricted the area planted and output dropped considerably in 1980.

The livestock sector registered a good year as pasture conditions were favorable and the Government closed the Colombian-Venezuelan border in late 1979 to support domestic beef production. The cattle population was up 4 percent to 10.4 million head, and beef production increased 5 percent. However, in contrast to the sharp increases in recent years, pork production was up only slightly and poultry production dropped. New government policies significantly lowered the availability of grain sorghum and soybeans—the principal components

of feed for pork and poultry. Milk and egg production also suffered from the shortage of feed, and output increased only slightly.

In 1980, food imports made up 50 percent of utilization and cost $1.2 billion, about the same as 1979. Imports would have been even higher were it not for the Government's economic austerity program. The result was a shortage of basic food items in the Venezuelan diet, such as white corn, beans, milk, and eggs. Industrial users in the rapidly expanding poultry and swine industries also complained of reduced supplies of feed grains because of insufficient domestic production and inadequate imports. Nevertheless, in 1980, Venezuelan dependence on food imports reached record levels—62 percent of grains and oilseeds, 52 percent of pulses, 40 percent of sugar, 33 percent of dairy products, and over 10 percent of beef and broiler consumption.

The United States supplied 58 percent of Venezuelan agricultural imports in 1980, at a value of $700 million. The 1980 figure represents a 42-percent increase over the value of U.S. exports in 1979, and indicates the continued attraction Venezuelan consumers have for U.S. products. In 1980, Venezuela was the second biggest market for U.S. agricultural products in Latin America and the largest market on a per capita basis on the continent. The principal items imported from the United States in 1980 were grains, $247 million; oilseeds and products, $170 million; fruits and vegetables, $107 million; and poultry meat, $25 million. The biggest gain in 1980 was for corn, up from 58,000 tons and $10 million in 1979 to 729,000 tons and $105 million in 1980. Fruit and vegetable imports from the United States were up 45 percent; soyoil and cottonseed oil imports, 90 percent. Wheat and tallow increased by a significant, but smaller, percentage. Sorghum was the only major import to drop, a reflection of improved domestic production and the substitution of cheaper yellow corn imports for use as a feed component.

In 1981, after two years of a severely restrictive monetary policy, the government will likely increase public spending. These actions will undoubtedly aid the depressed internal (non-oil) economy. The external (oil) sector will remain strong because of high world prices and sustained oil exports.

The agricultural outlook for 1981 is good, especially for grain production. However, agriculture is expected to lag behind the rest of the economy for it is highly dependent on the easing of credit to finance production.

Agricultural imports are expected to rise in 1981. Significant increases in imports are anticipated for wheat, which is replacing corn and beans in the diet; for yellow corn, a substitute for white corn and sorghum; and for sugar, because of the continued expansion in sugar consumption. Beef imports will likely rise as an agreement to re-open the Colombian-Venezuelan border to cattle imports is expected early in 1981. (Paul J. Trapido)

Table 1.--Western Hemisphere: Population, gross domestic product, and gold and foreign exchange holdings, by country, 1979-80. 1/

Country	Population			Gross Domestic Product			Gold and foreign exchange holdings 2/		
	1979	1980	Change	1978 3/	1979 4/	1980 4/	1979 5/	1980 6/	Change
	--Thousands--		Percent	Mil. dol.	---Percent---		--Million dollar--		Percent
Canada	24,090	24,390	1.3	265,900	3.3	-0.8	3,887	4,030	3.7
Mexico	69,515	71,560	3.2	78,061	8.0	7.0	2,988	3,393	13.5
Barbados	274	284	3.7	510	6.0	7.0	66	77	16.7
Cuba	9,887	9,973	.9	7/21,672	4.0	4.2	NA	NA	NA
Dominican Republic	5,280	5,422	2.7	4,390	4.0	5.6	287	280	-2.4
Haiti	5,007	5,139	2.6	1,149	2.0	5.0	64	54	-15.6
Jamaica	2,169	2,218	2.2	2,815	-2.5	-3.5	63	113	79.4
Trinidad and Tobago	1,112	1,133	1.9	2,098	5.4	6.0	2,140	2,782	30.0
Other Caribbean	2,439	2,455	.7	--	--	--	174	210	20.6
Caribbean	26,178	26,624	1.7	32,634	3.5	4.0	2,794	3,516	25.8
Costa Rica	2,130	2,228	4.6	2,715	11.5	7.0	155	208	34.6
El Salvador	4,670	4,825	3.3	3,106	0.0	0.0	162	100	-38.3
Guatemala	6,795	6,975	2.7	6,618	4.5	3.9	718	467	-35.0
Honduras	3,523	3,649	3.6	1,825	6.7	2.0	210	151	-28.1
Nicaragua	2,535	2,654	4.7	2,084	4.5	6.5	87	--	--
Panama	1,860	1,923	3.4	2,692	3.5	6.0	123	121	-1.1
Other Central America	153	162	5.9	--	--	--	--	--	--
Central America	21,666	22,416	3.5	19,040	4.8	4.2	1,455	1,047	-28.0
Argentina	27,424	27,863	.6	49,916	8.3	1.0	9,572	7,028	-26.6
Bolivia	5,214	5,346	2.5	2,669	1.4	.8	207	137	-33.9
Brazil	118,410	121,578	2.6	147,340	6.0	8.5	9,688	6,487	-33.0
Chile	11,025	11,186	1.5	17,092	8.5	6.5	2,378	4,087	71.9
Colombia	26,108	26,575	1.8	18,620	5.1	4.0	4,058	5,356	32.0
Ecuador	7,776	8,023	3.2	4,845	5.0	4.3	740	1,084	46.6
Guyana	850	860	1.2	529	-3.7	-1.0	18	23	29.9
Paraguay	2,970	3,067	3.3	1,899	10.0	11.0	613	766	24.9
Peru	17,380	17,869	2.8	16,564	3.8	3.6	1,627	2,183	34.2
Surinam	454	472	3.9	700	2.5	1.5	166	192	15.7
Uruguay	2,984	3,000	.5	4,470	8.3	5.5	971	1,017	4.7
Venezuela	14,320	14,753	3.0	31,561	2.0	0.0	7,768	7,065	-9.1
South America	234,915	240,592	2.4	296,205	5.9	4.5	37,806	35,425	-6.3
Latin America	352,264	361,192	2.5	425,940	6.1	4.9	45,043	43,381	-3.7
Western Hemisphere	378,654	385,582	1.8	691.840	5.0	2.7	48,930	47,411	-3.1

-- = Not Available
1/ Regional totals include only those countries for which data are shown.
2/ Total of gold, foreign exchange holdings, and reserve position in the International Monetary Fund.
3/ Value in 1978 prices converted to U.S. dollars, using the average end-of-quarter free or principal import rates of exchange.
4/ Estimates of growth in real terms.
5/ Position at the end of December 1979.
6/ Position at the end of December 1980 except as follows: November [Costa Rica (Gold Reserves), Argentina, Bolivia, Peru, Uruguay], September [Brazil, Guyana], August [Mexico], First Quarter [Haiti].
7/ For Cuba, GDP is Gobal Social Product.

Sources: International Monetary fund; U.S. Agency for International Development; other U.S. Government agencies; Inter-American Development Bank; Cuban Statistical Book, 1979.

Table 2.--Western Hemisphere: Indices of total and per capita agricultural and food production by countries and regions, 1978-80 1/
(1969-71=100)

Country	Total: Agriculture 1978	Total: Agriculture 1979	Total: Agriculture 1980	Total: Food 1978	Total: Food 1979	Total: Food 1980	Per Capita: Agriculture 1978	Per Capita: Agriculture 1979	Per Capita: Agriculture 1980	Per Capita: Food 1978	Per Capita: Food 1979	Per Capita: Food 1980
Canada	120	113	117	122	115	119	107	99	102	109	101	104
Mexico	129	128	135	132	131	139	97	93	95	100	96	98
Barbados	85	103	102	85	103	102	77	90	86	77	90	86
Cuba	118	120	122	118	121	124	103	104	104	104	105	106
Dominican Republic	133	134	137	125	130	133	108	106	106	102	103	103
Haiti	98	103	98	101	101	97	85	88	81	88	86	80
Jamaica	105	105	106	106	105	105	92	90	89	92	91	89
Trinidad and Tobago	97	97	89	99	98	91	88	87	78	90	87	79
Caribbean	117	119	120	116	119	120	101	101	100	100	101	100
Costa Rica	137	135	137	142	141	136	114	109	107	118	115	106
El Salvador	133	129	115	140	142	138	102	96	83	108	106	100
Guatemala	148	152	151	142	144	148	118	117	114	113	111	111
Honduras	132	136	136	121	125	123	102	102	98	94	94	89
Nicaragua	139	96	118	138	110	121	108	72	85	108	83	87
Panama	127	126	122	127	125	122	102	98	92	102	98	92
Central America	138	131	132	136	132	133	109	101	98	108	101	99
Argentina	135	139	127	135	141	128	121	123	110	121	124	111
Bolivia	130	131	128	127	129	128	107	105	99	104	103	99
Brazil	139	145	161	147	151	172	111	113	122	118	118	131
Chile	107	116	115	104	114	116	92	98	96	89	97	97
Colombia	142	149	157	145	150	160	118	122	126	120	122	128
Ecuador	149	150	163	149	152	166	117	115	121	117	116	123
Guyana	124	111	109	124	112	109	104	92	88	104	92	88
Paraguay	145	149	155	140	144	153	115	115	116	111	111	115
Peru	103	104	100	104	103	99	81	79	74	82	79	73
Suriname	124	142	142	124	142	142	104	116	112	104	116	112
Uruguay	101	97	100	104	97	102	96	91	94	99	91	96
Venezuela	144	154	154	148	157	158	113	117	113	116	119	116
South America	135	140	144	138	143	148	111	112	113	113	115	116
Latin America 2/	132	135	139	135	138	143	107	106	107	109	109	110

1/ Revised data for 1978 and 1979; preliminary for 1980.
2/ Excludes Canada, production for other 25 countries shown.

Source: Economics and Statistics Service, Indices of Agricultural Production of the Western Hemisphere.

Table 3.--Western Hemisphere: Fertilizer consumption in nutrient equilvalent, annual 1976-78.

Country	N			P_2U_5			K_2O			Total		
	1976	1977	1978	1976	1977	1978	1976	1977	1978	1976	1977	1978
	---------------1,000 tons-------------											
Canada	599	706	835	512	561	631	254	269	345	1,365	1,536	1,811
Mexico	830	794	752	236	218	259	54	56	56	1,120	1,068	1,067
Barbados	2	1	2	1	1	1	2	1	3	5	3	6
Cuba	187	223	227	53	55	63	116	140	150	356	418	440
Dominican Republic	35	32	32	21	15	17	19	19	13	75	66	62
Jamaica	7	5	6	1	4	10	6	6	7	14	15	23
Trinidad/Tobago	5	3	5	--	--	1	3	1	3	8	4	9
Other Caribbean	12	13	16	11	11	8	10	11	11	33	35	35
Caribbean	248	277	288	86	86	100	156	178	187	490	541	575
Belize	--	1	1	1	1	1	--	--	--	1	2	2
Costa Rica	28	41	41	10	10	11	17	16	28	55	67	80
El Salvador	77	77	84	16	22	23	9	6	4	102	105	111
Guatemala	50	52	52	27	27	28	18	25	20	95	104	100
Honduras	11	15	10	9	6	7	5	7	7	25	28	24
Nicaragua	23	36	35	14	10	9	11	2	4	48	48	48
Panama	11	9	10	4	6	8	8	8	6	23	23	24
Central America	200	231	233	81	82	87	68	64	69	349	377	389
Argentina	39	42	48	35	31	33	4	4	6	78	77	87
Bolivia	1	2	2	2	2	2	--	--	--	3	4	4
Brazil	498	700	708	1,308	1,545	1,523	722	963	991	2,528	3,208	3,221
Chile	48	40	49	59	55	65	13	10	13	120	105	127
Colombia	143	155	141	69	75	68	35	51	63	247	281	272
Ecuador	50	58	39	13	12	21	19	16	10	82	86	70
Guyana	8	6	13	3	1	3	1	2	2	12	9	18
Paraguay	11	--	1	--	1	1	--	--	1	--	1	3
Peru	95	104	99	13	15	16	12	14	13	120	133	128
Surinam	3	4	4	1	--	--	--	--	--	4	4	4
Uruguay	18	18	14	52	42	40	4	3	4	74	63	58
Venezuela	74	88	91	47	54	59	40	39	46	161	181	196
South America	977	1,217	1,208	1,602	1,833	1,831	849	1,102	1,149	3,428	4,152	4,188
Latin America	2,255	2,519	2,481	2,005	2,219	2,277	1,127	1,400	1,461	5,387	6,138	6,219

-- = Insignificant or not available

Source: Food and Agriculture Organization of the United Nations, Annual Fertilizer Review, 1979.

Table 4.--Area and production of selected agricultural products by principal Western Hemisphere countries or regions, 1978-80. 1/

Commodity by Country	Area 2/			Production		
	1978	1979	1980 3/	1978	1979	1980 3/
	--1,000 Hectares--			--1,000 Metric Tons--		
Wheat:						
Canada	10,584	10,489	11,256	21,145	17,185	19,638
Mexico	760	620	770	2,350	2,280	2,650
Central America	62	59	54	49	40	50
Argentina	4,685	4,787	4,750	8,100	8,100	7,830
Brazil	2,794	3,832	3,144	2,691	2,879	2,625
Chile	580	560	546	893	995	966
Uruguay	192	380	250	174	500	300
Other South America	275	282	270	257	274	238
Total Latin America	9,348	10,520	9,784	14,514	15,068	14,659
Rice Rough:						
Mexico	125	160	130	412	450	345
Cuba	152	147	147	344	312	315
Dominican Republic	115	120	125	308	338	354
Other Caribbean	63	65	63	130	89	102
Panama	99	98	95	162	158	120
Other Central America	159	152	168	356	306	331
Brazil	5,200	5,425	6,469	7,491	7,593	9,638
Colombia	370	442	416	1,715	1,932	1,798
Guyana	115	88	88	304	244	280
Peru	100	115	100	424	471	360
Surinam	55	60	65	223	244	260
Uruguay	58	69	67	231	262	288
Other South America	461	478	501	1,304	1,474	1,227
Total Latin America	7,072	7,419	8,434	13,404	13,873	15,418
Corn:						
Canada	783	891	943	4,033	4,963	5,462
Mexico	8,000	7,600	8,100	10,200	9,200	10,200
Caribbean	331	337	330	321	322	313
Guatemala	591	650	680	944	1,058	1,150
Honduras	329	348	348	346	343	399
Other Central America	608	538	624	903	827	948
Argentina	2,660	2,899	2,442	9,700	9,000	6,410
Bolivia	262	244	272	331	335	328
Brazil	10,700	11,310	12,230	13,569	16,310	20,200
Colombia	608	616	614	862	870	854
Peru	300	360	320	550	600	450
Venezuela	506	534	458	804	912	584
Other South America	667	704	783	939	1,271	1,302
Total Latin America	25,562	26,140	27,201	39,469	41,048	43,138
Grain Sorghum:						
Mexico	1,100	900	1,000	3,200	2,000	3,300
Caribbean	174	174	168	216	196	196
Central America	294	280	284	339	329	358
Argentina	2,254	2,117	2,129	7,200	6,500	2,960
Colombia	197	221	206	517	501	430
Venezuela	180	227	408	359	552	595
Uruguay	89	39	50	184	30	84
Other South America	133	113	105	316	239	251
Total Latin America	4,421	4,071	4,350	12,331	10,347	8,174
Beans, dry:						
Canada	60	38	38	77	69	69
Mexico	1,630	1,400	1,800	970	950	900
Caribbean	200	202	202	112	107	104
Central America	379	364	376	245	226	253
Brazil	4,593	4,312	4,785	2,390	2,298	1,937
Chile	112	110	111	112	116	84
Peru	52	52	50	40	40	38
Venezuela	82	90	81	42	41	46
Other South America	430	441	427	360	410	383
Total Latin America	7,478	7,009	7,832	4,271	4,188	3,745
Sweet potatoes and yams:						
Mexico	9	9	9	97	95	95
Caribbean	122	124	124	747	749	761
Central America	--	--	--	1	1	1
Argentina	34	34	34	320	322	302
Brazil	98	115	136	882	1,500	1,800
Paraguay	15	14	14	117	106	115
Peru	16	16	15	165	160	150
Other South America	43	45	45	274	249	252
Total Latin America	337	357	377	2,603	3,182	3,476

See footnotes at end of table. --continued

Table 4.--Area and production of selected agricultural products by principal Western Hemisphere countries or regions, 1978-80. 1/--Continued

Commodity by Country	Area			Production		
	1978	1979	1980 3/	1978	1979	1980 3/
	--1,000 Hectares--			--1,000 Metric Tons--		
Potatoes:						
Canada	111	114	113	2,496	2,760	2,367
Mexico	86	68	69	837	1,000	902
Caribbean	17	18	18	223	219	226
Central America	11	12	12	81	79	81
Argentina	115	110	112	1,593	1,694	1,568
Bolivia	159	160	131	716	720	720
Brazil	210	204	180	2,015	2,149	1,920
Chile	91	81	89	981	771	903
Colombia	143	148	142	1,996	1,966	1,727
Peru	252	225	210	1,560	1,400	1,300
Other South America	80	84	84	855	914	916
Total Latin America	1,164	1,110	1,047	10,857	10,912	10,26
Cotton:						
Mexico	350	380	365	357	347	352
Caribbean	6	6	6	3	3	3
Guatemala	126	130	130	164	155	136
Nicaragua	173	45	98	113	22	79
Other Central America	134	104	90	82	73	66
Argentina	618	669	500	230	174	160
Brazil	1,965	1,975	1,995	483	535	568
Colombia	323	187	217	188	153	186
Peru	108	134	144	76	90	96
Other South America	390	408	307	131	115	108
Total Latin America	193	4,038	3,852	1,827	1,667	1,754
Peanuts:						
Mexico	52	38	42	55	55	60
Caribbean	72	70	64	65	60	65
Argentina	428	393	195	260	470	206
Brazil	253	286	320	350	465	545
Other South America	70	73	76	76	81	85
Total Latin America	875	860	697	806	1,121	956
Soybeans:						
Canada	285	283	283	515	672	713
Mexico	215	380	150	330	680	280
Argentina	1,250	1,600	1,780	2,500	3,700	3,800
Brazil	7,600	8,035	8,755	10,200	10,200	15,040
Colombia	69	71	78	131	146	155
Other South America	333	447	500	418	561	737
Total Latin America	9,467	10,533	11,263	13,579	15,287	20,01
Tobacco:						
Canada	49	48	--	115	79	113
Mexico	44	49	51	61	69	72
Cuba	56	52	42	40	33	18
Dominican Republic	40	37	30	57	53	49
Other Caribbean	2	2	2	2	2	2
Central America	17	16	16	22	25	24
Argentina	62	65	53	62	69	62
Brazil	256	301	300	329	401	338
Colombia	32	26	24	63	46	40
Other South America	37	44	38	50	64	52
Total Latin America	546	592	556	686	762	657

-- = Insignificant or not available
1/ Time reference is calendar year to include crops harvested mainly in years shown.
Latin America totals are for the 25 Latin American countries including Cuba.
2/ Seeded area for Canada; harvested area for other countries insofar as possible.
3/ Preliminary.

Sources: Economics and Statistics Service; Foreign Agricultural Service;
Food and Agricultural Organization of the United Nations, Production Yearbook of Agriculture.

Table 5.--Western Hemisphere: Production of aelected agricultural producta by principal countriea or regions, 1978-80. 1/

Commodity by Country	Production 1978	1979	1980 2/
	--1,000 Tona--		
Cassava (Yuca):			
Caribbean	674	657	694
Central America	109	109	109
Brazil	26,880	25,284	25,000
Colombia	2,101	1.909	2,105
Paraguay	1,838	1,888	1,950
Other South America	1,436	1,483	1,490
Total Latin America	33,038	31,330	31,348
Sugar centrifugal, (raw)			
Canada	125	122	115
Mexico	3,058	2,763	2,900
Cuba	7,661	7,799	6,787
Barbados	101	114	132
Domincan Republic	1,166	1,090	1,200
Jamaica	305	270	251
Trinidad/Tobago	148	134	107
Other Caribbean	226	191	199
Central America	1,569	1,414	1,679
Argentina	1,387	1,395	1,720
Brazil	7,740	6,968	8,200
Colombia	1,019	1,096	1,148
Guyana	330	303	274
Peru	881	715	550
Venezuela	325	325	342
Other South America	1,020	885	902
Total Latin America	26,936	25,462	26,391
Cottonseed:			
Mexico	575	560	570
Caribbean	6	6	4
Central America	578	395	352
Brazil	859	951	1,010
Colombia	188	153	186
Peru	127	155	166
Other South America	786	637	619
Total Latin America	3,119	2,857	2,907
8ananas:			
Mexico	1,500	1,553	1,948
Caribbean	1,324	1,100	900
Coata Rica	1,149	1,100	1,100
Honduraa	1,338	1,400	1,400
Panama	742	745	350
Other Central America	694	702	712
Brazil	4,375	4,494	4,900
Ecuador 3/	2,300	2,284	2,300
Other South America	2,225	2,463	2,535
Total Latin America	15,647	15,841	16,145
Coffee			
Mexico	228	216	216
Cuba	14	22	25
Dominican Republic	61	45	54
Haiti	25	38	29
Other Caribbean	5	5	5
Central America	590	528	527
Brazil	1,200	1,320	1,290
Colombia	712	756	762
Other South America	230	239	226
Total Latin America	3,065	3,169	3,134

Commodity by Country	Production 1978	1979	1980 2/
	--1,000 Tons--		
Cocoa beans:			
Mexico	36	34	36
Dominican Republic	34	37	32
Other Caribbean	14	15	12
Central America	16	17	17
Brazil	310	290	339
Ecuador	78	85	95
Venezuela	15	15	13
Other South America	40	39	38
Total Latin America	543	532	582
Wool, Shorn:			
Canada	885	1,147	1,209
Mexico	5	5	5
Argentina	171	166	163
8razil	26	31	27
Uruguay	66	72	73
Other South America	38	40	30
Total Latin America	306	314	298
8eef and Veal:			
Canada	1,060	955	935
Mexico	1,054	1,025	1,060
Cuba	142	150	160
Other Caribbean	67	70	73
Central America	389	468	461
Argentina	3,193	3,092	2,856
8razil	2,200	2,100	2,200
Colombia	570	601	608
Uruguay	354	266	330
Other South America	811	819	832
Total Latin America	8,780	8,591	8,580
Pork:			
Canada	619	750	850
Mexico	425	430	470
Caribbean	124	124	104
Central America	65	68	64
Argentina	214	259	266
8razil	850	900	1,050
Other South America	451	489	509
Total Latin America	2,129	2,270	2,468
Milk:			
Canada	7,411	7,570	7,875
Mexico	6,949	7,055	7,010
Cuba	791	800	850
Dominican Republic	340	340	350
Other Caribbean	158	188	191
Central America	1,487	1,416	1,444
Argentina	5,331	5,344	5,550
Brazil	10,800	10,100	10,200
Chile	1,005	987	1,082
Colombia	1,936	1,968	2,342
Other South America	3,480	3,528	3,676
Total Latin America	32,277	31,726	32,695

1/ Crops harvested mainly in year ahown; cocoa beana and coffee harvests begin in years ahown; area data not available.
2/ Preliminary.
3/ Exportable type only.

Sourcea: Economica and Statistical Service; Foreign Agricultural Service; Food and Agricultural Organization of the United Nations, Production Yearbook of Agriculture.

Table 6.--Western Hemisphere: Total agriculture exports and imports by principal countries, 1975-78. 1/

Country	Exports 1975	Exports 1976	Exports 1977	Exports 1978	Imports 1975	Imports 1976	Imports 1977	Imports 1978
	-- Million Dollars --							
Canada	3,938.4	4,074.7	4,069.9	4,301.4	2,778.3	3,111.7	3,279.6	3,451.7
Mexico	943.7	1,290.9	1,381.6	1,626.1	900.8	535.6	776.5	1,055.2
Barbados	57.2	32.4	26.5	35.1	48.7	52.2	55.9	64.1
Cuba	3,241.0	2,661.1	--	--	760.0	761.1	--	--
Dominican Republic	709.9	493.7	571.8	449.9	131.8	160.2	131.2	125.1
Haiti	37.3	54.0	73.7	62.5	40.1	63.2	79.8	76.2
Jamaica	198.2	107.2	130.3	121.7	206.1	193.9	164.5	190.5
Trinidad and Tobago	106.7	77.8	69.5	56.9	138.1	138.9	163.8	194.2
Caribbean 2/	4,350.3	3,426.2	871.8	726.1	1,324.8	1,369.4	595.2	650.1
Costa Rica	360.3	423.1	622.9	589.9	68.6	68.1	82.2	87.3
El Salvador	352.6	521.7	749.7	590.7	72.7	80.1	95.7	94.4
Guatemala	449.1	561.8	933.9	838.3	66.6	50.5	61.8	97.4
Honduras	164.5	265.1	362.5	460.8	53.6	40.9	51.3	71.0
Nicaragua	275.4	407.7	486.3	508.3	42.8	46.0	57.4	58.7
Panama	120.1	102.4	111.7	121.0	61.9	58.8	67.9	68.5
Central America 2/	1,722.0	2,281.8	3,267.0	3,109.0	366.2	344.4	416.3	477.3
Argentina	2,169.1	2,834.5	4,099.3	4,985.0	228.1	181.9	255.3	247.9
Bolivia	92.8	111.1	92.9	83.6	67.5	53.1	79.7	89.9
Brazil	4,865.8	6,101.5	7,555.3	6,650.4	866.4	1,112.5	909.6	1,522.1
Chile	143.2	116.9	193.1	235.9	343.5	421.3	300.1	472.9
Colombia	1,078.2	1,317.9	1,907.9	2,484.2	156.3	202.1	242.1	228.4
Ecuador	320.5	428.6	587.5	707.7	70.9	82.3	92.6	101.4
Guyana	215.7	123.7	101.8	135.2	43.3	52.8	49.6	52.6
Paraguay	141.2	151.3	236.4	213.2	51.4	58.9	58.2	61.2
Peru	436.2	327.1	389.6	322.6	446.7	383.9	287.6	285.1
Surinam	22.9	21.9	27.9	34.8	26.8	32.2	36.2	33.8
Uruguay	194.5	252.8	261.2	248.6	29.0	10.9	56.2	98.4
Venezuela	63.3	70.0	83.9	90.6	641.4	703.2	1,201.1	1,206.1
South America 2/	9,743.4	11,857.3	15,536.8	16,919.8	2,971.3	3,295.1	3,568.3	4,399.8
Latin America 3/	16,759	18,856	20,057	21,653	5,563	5,545	5,356	6,582
Western Hemisphere	20,678	22,931	25,127	25,954	8,341	8,656	8,636	10,034

-- = Not available

1/ Exports and imports include SITC categories for food and animals, crude materials, animal and vegetable oils, and unmanufactured tobacco. Distilled beverages are not included in totals, except for Bolivia which also includes fishing and forestry.

2/ For countries shown.

3/ Excludes Canada.

Sources: Food and Agriculture Organization of United Nations, Trade Yearbooks; and the Central Bank of Paraguay.

Table 7.-- Western Hemisphere: Exports and imports of selected major agricultural commodities, 1978-80.

Commodity by country	Exports		
	1978	1979 1/	1980 1/
	---1,000 tons---		
Wheat (including flour in wheat equivalent):			
Canada	15,126	12,383	17,330
Mexico	17	14	15
Caribbean	20	28	55
Central America	--	--	--
Argentina	1,776	4,374	4,537
Other South America	--	--	--
Total Latin America	1,813	4,416	4,607
Rice, milled:			
Mexico	60	--	3
Central America	59	52	60
Argentina	129	38	1
Brazil	185	--	--
Colombia	89	99	100
Guyana	105	85	100
Surinam	76	108	125
Uruguay	100	153	165
Other South America	32	88	2
Total Latin America	835	623	556
Corn:			
Canada	289	500	380
Caribbean	2	6	3
Central America	22	18	20
Argentina	5,895	5,759	3,525
Brazil	15	10	1
Other South America	94	147	134
Total Latin America	6,028	5,940	3,683
Sugar, raw basis			
Canada	150	140	140
Mexico	21	80	--
Cuba	7,231	7,269	5,519
Barbados	89	101	114
Dominican Republic	937	1,031	800
Jamaica	203	162	152
Trinidad and Tobago	103	94	71
Other Caribbean	112	128	128
Central America	769	877	813
Brazil	1,961	1,829	2,500
Colombia	41	240	314
Guyana	285	268	238
Peru	276	187	55
Other South America	559	557	665
Total Latin America	12,487	12,743	11,369
Coffee, green or roasted:			
Mexico	115	182	139
Cuba	9	10	10
Dominican Republic	28	37	34
Haiti	19	14	25
Other Caribbean	9	10	9
El Salvador	121	208	163
Guatemala	153	129	123
Other Central America	208	198	211
Brazil	621	562	774
Colombia	501	710	714
Other South America	157	173	124
Total Latin America	1,941	2,233	2,326

Commodity by country	Imports		
	1978	1979 1/	1980 1/
	---1,000 tons---		
Wheat (including flour in wheat equivalent:			
Canada	--	--	--
Mexico	665	1,180	677
Cuba	1,124	1,147	1,170
Dominican Republic	147	160	160
Jamaica	111	158	166
Trinidad and Tobago	106	163	120
Other Caribbean	282	291	316
Central America	491	512	543
Bolivia	325	199	318
Brazil	4,200	3,780	4,600
Chile	950	728	955
Colombia	413	471	450
Peru	724	825	813
Venezuela	800	832	861
Other South America	530	671	471
Total Latin America	10,868	11,117	11,620
Rice, milled:			
Canada	89	85	80
Mexico	1	15	100
Cuba	171	200	234
Jamaica	43	44	51
Trinidad and Tobago	27	38	40
Other Caribbean	69	54	128
Central America	27	21	40
Chile	20	9	25
Peru	--	150	251
Other South America	48	758	244
Total Latin America	406	1,289	1,113
Corn:			
Canada	757	700	1,100
Mexico	1,415	865	4,851
Cuba	481	460	440
Jamaica	198	208	227
Trinidad and Tobago	73	98	90
Other Caribbean	150	177	232
Central America	157	232	227
Chile	250	198	350
Peru	150	125	485
Venezuela	522	687	627
Other South America	1,286	1,571	1,610
Total Latin America	4,682	4,621	9,139
Sugar, raw basis:			
Canada	1,101	1,100	868
Mexico	--	--	595
Caribbean	22	26	28
Central America	--	--	--
Chile	254	272	322
Uruguay	17	43	35
Venezuela	204	200	258
Other South America	93	3	52
Total Latin America	590	544	1,290
Coffee, green or roasted:			
Canada	83	85	85
Caribbean	16	17	18
Argentina	22	36	40
Other South America	6	40	7
Total Latin America	44	93	65

See footnotea at end of table.

--Continued

Table 7.--Western Hemisphere: Exports and imports of selected major agricultural commdities, 1978-80.--continued

Commodity by country	Exports 1978	Exports 1979 1/	Exports 1980 1/
	---1,000 tons---		
Bananas, plaintains, fresh			
Mexico	17	20	22
Guadeloupe	157	100	90
Jamaica	77	70	65
Martinique	242	152	75
Other Caribbean	146	103	75
Costa Rica	1,058	997	738
Honduras	716	892	845
Panama	628	600	296
Other Central America	402	352	356
Brazil	133	128	66
Colombia	575	633	733
Ecuador	1,362	1,386	1,388
Other South America	29	27	30
Total Latin America	5,542	5,460	4,779
Cocoa Beans:			
Mexico	12	13	13
Dominican Republic	29	24	27
Other Caribbean	9	10	9
Central America	12	8	10
Brazil	134	303	280
Ecuador	81	90	90
Other South America	10	20	15
Total Latin America	287	468	444
Beef and Veal 2/:			
Canada	45	50	45
Mexico	45	6	1
Caribbean	2	2	4
Costa Rica	35	32	25
Nicaragua	34	36	25
Other Central America	43	51	53
Argentina	740	697	470
Brazil	63	49	70
Paraguay	17	5	1
Uruguay	112	81	100
Other South America	48	49	47
Total Latin America	1,139	1,008	796
Cotton, raw			
Mexico	145	204	206
Guatemala	154	138	125
Nicaragua	489	85	335
Other Central America	80	66	57
Brazil	44	--	8
Peru	18	20	32
Other South America	264	198	204
Total Latin America	1,194	711	967
Tobacco, unmanufactured:			
Canada	33	20	20
Mexico	26	26	29
Cuba	21	20	--
Dominican Republic	37	42	40
Central America	11	13	11
Brazil	109	126	121
Colombia	19	16	18
Paraguay	15	12	13
Other South America	23	22	17
Total Latin America	261	277	249

Commodity by country	Imports 1978	Imports 1979 1/	Imports 1980 1/
	---1,000 tons---		
Bananas, plaintains, fresh			
Canada	236	235	235
Caribbean	7	6	6
Nicaragua	--	--	--
El Salvador	47	47	47
Argentina	112	142	151
Chile	50	52	55
Uruguay	16	30	--
Total Latin America	232	277	259
Cocoa Beans:			
Canada	13	13	13
Caribbean	--	--	--
Central America	--	--	--
Argentina	--	--	--
Colombia	8	--	7
Other South America	2	2	2
Total Latin America	10	2	9
Beef and Veal 3/:			
Canada	102	80	55
Caribbean	25	15	17
Central America	--	--	--
Brazil	113	110	46
Chile	14	5	4
Peru	1	--	4
Venezuela	66	18	12
Total Latin America	219	148	83
Cotton Raw:			
Canada	58	57	55
Caribbean	30	32	31
Central America	--	1	1
Argentina	--	--	--
Chile	24	27	13
Uruguay	6	6	7
Other South America	7	8	1
Total Latin America	67	74	53
Tobacco, unmanufactured			
Canada	6	2	4
Caribbean	3	4	3
Central America	2	3	2
Brazil	267	500	200
Chile	1	1	3
Uruguay	4	4	4
Other South America	11	12	16
Total Latin America	288	524	228

-- = Insignificant or not available.
1/ Preliminary.
2/ Carcass weight basis: excludes fats and offals.

Sources: Economics and Statistics Service; Foreign Agriculture Service; Food and Agriculture Organization of the United Nation, Trade Yearbooks.

Table 8.--Weatern Hemisphere: Exporta and imports of selected minor agricultural commodities, 1978-80.

Commodity by country	Exports 1978	Exports 1979	Exports 1980
	---1,000 tons---		
Soybean Meal:			
Canada	48	23	25
Mexico	--	--	--
Central America	--	--	--
Argentina	362	347	395
Bolivia	--	12	25
Brazil	5,418	5,176	6,548
Chile	--	--	--
Peru	--	--	--
Venezuela	--	--	--
Soybean Oil:			
Mexico	--	--	--
Central America	--	--	--
Argentina	65	81	100
Bolivia	--	--	--
Brazil	488	529	721
Chile	--	--	--
Peru	--	--	--
Soybeans			
Canada	83	47	50
Mexico	--	--	--
Central America	--	--	--
Argentina	1,985	2,810	2,710
Brazil	659	638	1,525
Venezuela	--	--	--
Fishmeal:			
Panama	10	20	15
Argentina	5	1	--
Chile	274	383	360
Peru	483	657	416
Fishoil:			
Panama	5	2	2
Chile	56	52	60
Peru	--	56	--
Barley:			
Mexico	--	--	--
Argentina	15	57	43
Chile	25	--	4
Colombia	--	--	--
Peru	--	--	--
Apples:			
Argentina	339	319	255
Chile	116	124	165
Grapes, table:			
Argentina	3	1	1
Chile	51	51	50
Pulaes:			
Canada	61	104	104
Mexico	127	104	104
Caribbean	4	7	7
Central America	1	2	1
Argentina	231	180	180
Chile	75	75	60
Other South America	2	6	2

Commodity by country	Imports 1978	Imports 1979	Imports 1980
Soybean Meal:			
Canada	413	465	470
Mexico	97	147	178
Central America	58	58	60
Cuba	70	75	75
Dominican Republic	28	22	30
Caribbean	48	46	50
Chile	29	26	50
Peru	--	--	48
Venezuela	240	292	294
Soybean Oil:			
Mexico	34	1	50
Central America	26	36	37
Caribbean	54	67	64
Bolivia	8	11	14
Chile	54	53	45
Colombia	53	87	70
Ecuador	25	32	39
Peru	83	20	40
Venezuela	20	37	38
Other South America	3	5	5
Soybeana:			
Canada	324	351	350
Mexico	700	408	931
Central America	1	1	16
Dominican Republic	31	18	30
Caribbean	58	66	70
Argentina	--	--	--
Brazil	--	--	421
Peru	35	22	--
Venezuela	75	50	65
Fiah Oil:			
Peru	--	--	54
Barley:			
Mexico	92	50	199
Chile	--	70	35
Colombia	60	70	100
Peru	20	35	40
Apples:			
Argentina	--	--	3
Venezuela	6	9	8
Pulses:			
Canada	18	15	15
Mexico	24	26	310
Cuba	120	125	125
Caribbean	25	28	28
Central America	7	8	7
Argentina	--	2	2
Brazil	25	30	35
Colombia	8	8	6
Venezuela	52	53	55
Other South America	9	6	6

-- = Insignificant or not available

1/ The commoditiea shown in this table are most important to the countries shown and do not imply that they are not traded in other Latin American countries.

Table 9.--U.S. agricultural exports to Western Hemisphere countries or dependencies by value, 1975-80.

Country	1975	1976	1977	1978	1979	1980 1/
	------------Million dollars------------					
Canada 2/	1,305.0	1,485.1	1,534.5	1,620.9	1,650.0	1,851.7
Mexico	585.7	369.9	664.6	903.0	1,023.5	2,490.3
Bahamas	45.3	44.4	47.9	56.2	60.8	71.4
Barbados	8.5	10.7	12.7	16.4	22.9	28.3
Bermuda	18.3	20.8	22.9	26.5	29.7	33.0
Dominican Republic	96.0	107.3	102.3	123.2	174.8	217.5
French West Indies	3.9	5.8	6.1	8.4	11.5	14.5
Haiti	38.7	31.5	49.7	37.5	46.5	70.1
Jamaica	73.8	75.4	81.1	77.9	77.1	76.5
Lee Ward & Windward Isles	8.8	10.6	17.5	19.6	29.7	37.3
Netherlands Antilles	33.8	39.0	44.9	53.2	65.2	67.8
Trinidad & Tobago	52.3	46.4	42.7	54.9	75.1	112.3
Other Caribbean	--	4.8	5.2	6.1	6.5	7.2
Caribbean	379.4	396.7	433.0	479.9	599.9	735.8
Belize	5.7	5.8	6.4	6.9	9.0	10.0
Costa Rica	26.5	27.3	30.2	30.2	40.8	66.9
El Salvador	33.2	31.0	48.4	47.0	49.8	50.0
Guatemala	37.9	40.1	43.1	47.7	53.3	81.0
Honduras	29.5	19.5	26.0	34.5	31.7	51.1
Nicaragua	17.1	19.9	20.7	23.3	19.8	64.6
Panama	43.8	45.7	44.5	47.0	62.2	84.6
Central America	193.7	189.3	219.3	236.5	266.6	408.1
Argentina	8.7	5.7	11.3	13.6	35.6	49.7
Bolivia	8.3	12.5	19.5	30.6	24.3	33.6
Brazil	322.9	254.6	111.0	533.6	536.0	680.4
Chile	125.3	125.2	80.3	173.7	160.7	319.6
Colombia	84.9	97.3	134.8	135.0	246.8	265.8
Ecuador	65.8	71.2	75.1	81.5	95.0	118.9
French Guiana	.2	.2	.3	.3	.6	.6
Guyana	16.7	18.9	11.4	15.0	20.7	23.7
Paraguay	1.2	.9	.9	1.2	1.6	2.6
Peru	192.8	111.3	124.5	129.6	153.5	315.9
Surinam	11.7	12.9	16.3	17.4	18.5	18.0
Uruguay	5.8	2.2	11.2	19.7	8.8	8.4
Venezuela	277.0	273.6	304.0	387.3	491.9	700.6
South America	1,121.3	986.5	900.7	1,538.4	1793.9	2,538.0
Total Latin America	2,280	1,942	2,217	3,158	3,684	6,172
Total Western Hemisphere	3,585	3,428	3,752	4,779	5,334	8,024
Total World	21,884	22,997	23,636	29,384	34,745	41,256
Hemisphere as percentage of World Total	16.4	14.9	15.9	16.3	15.4	19.5

-- = Not available
1/ Preliminary.
2/ Excludes transhipments, mostly grains and oilseeds to Western Europe.

Source: Bureau of the Census and Foreign Agriculture Service.

Table 10.--U.S. agricultural imports from Western Hemisphere countries or dependencies by value, 1975-80.

Country	1975	1976	1977	1978	1979	1980 1/
	Million dollars					
Canada	491.4	600.2	672.4	742.9	948.0	1,061.2
Mexico	508.7	711.1	1,013.1	1,104.5	1,229.4	1,059.2
Bahamas	.9	1.5	2.5	2.2	1.1	.8
Barbados	17.9	13.8	8.8	6.0	11.9	38.2
Bermuda	--	--	--	--	--	--
Dominican Republic	549.3	400.3	471.9	359.9	430.0	454.3
French West Indies	.3	.4	.7	.7	.7	.5
Haiti	20.1	30.1	39.5	37.0	27.6	33.7
Jamaica	38.7	27.6	11.3	9.0	14.7	33.5
Lee Ward & Windward Isles	4.3	6.4	4.2	6.2	9.1	10.8
Netherlands Antilles	1.5	6.3	.2	4.6	2.3	.2
Trinidad & Tobago	17.2	29.2	17.4	23.0	15.3	5.1
Other Caribbean	--	.3	.7	.9	.4	--
Caribbean	650.2	515.9	557.2	449.1	512.2	577.2
Belize	25.2	4.7	7.6	17.3	14.1	40.7
Costa Rica	156.8	192.8	254.7	249.7	333.5	281.7
El Salvador	131.8	204.6	319.5	156.6	270.1	293.9
Guatemala	149.3	257.9	352.4	309.6	379.0	373.5
Honduras	93.2	153.1	184.4	273.1	311.3	322.0
Nicaragua	90.0	131.3	119.9	145.8	180.2	156.1
Panama	68.8	48.8	71.8	72.1	84.8	111.4
Central America	715.2	993.3	1,310.3	1,224.3	1,572.9	1,579.3
Argentina	144.6	155.3	187.5	214.0	284.0	305.0
Bolivia	3.8	16.3	14.6	18.3	30.0	21.4
Brazil	772.1	965.9	1,383.5	1,536.8	1,503.3	2,018.8
Chile	18.0	21.8	26.4	34.9	46.6	45.9
Colombia	420.9	470.7	616.8	815.6	950.5	1,024.6
Ecuador	147.9	232.7	292.7	411.0	371.7	356.0
French Guiana	.1	--	--	--	.1	--
Guyana	44.2	13.6	5.8	7.3	11.1	37.0
Paraguay	15.3	16.2	17.7	46.9	156.8	51.8
Peru	135.6	170.0	183.5	172.1	254.1	151.0
Surinam	.2	.1	.1	.5	.1	.7
Uruguay	1.4	3.5	3.7	7.2	7.9	8.8
Venezuela	33.2	43.0	55.5	55.2	30.7	18.3
South America	1,737.1	2,109.1	2,787.8	3,319.8	3,647.2	4,039.2
Total Latin America	3,611	4,329	5,668	6,098	6,962	7,255
Total Western Hemisphere	4,103	4,930	6,341	6,841	7,910	8,316
Total World	9,310	10,990	13,438	14,804	16,725	17,366
Hemisphere as percentage of World Total	44.1	44.8	47.2	46.2	47.3	47.9

-- = Insignificant or not available

1/ Preliminary

Source: Bureau of the Census and Foreign Agricultural Service.

Table 11.--U.S. agricultural exports by SITC categories to Canada, Mexico, and Latin American sub-regions, 1976-80.

Country 1/	Live animals	Meat and preparations	Dairy products and eggs	Cereals and preparations	Fruits, vegetables and preparations	Animal feed	Unmanufactured tobacco
	---Million Dollars---						
Canada 2/							
1976	58.9	183.0	20.0	135.3	504.7	90.9	3.6
1977	26.6	165.3	17.6	110.4	548.6	118.0	4.2
1978	39.9	108.0	24.3	95.2	616.3	125.4	4.5
1979	29.7	67.0	29.7	124.7	656.5	142.2	5.9
1980	41.6	57.1	24.4	165.9	721.7	128.7	26.0
Mexico							
1976	36.8	18.3	16.5	96.2	17.6	9.7	--
1977	19.6	16.6	11.6	294.0	16.6	64.9	--
1978	22.0	18.3	22.5	336.4	27.0	32.6	--
1979	29.4	28.0	29.0	485.2	40.5	56.4	--
1980	23.4	38.9	75.4	1,192.3	264.7	99.9	--
Carribbean							
1976	2.9	55.9	13.5	132.8	34.1	40.8	20.8
1977	3.3	60.6	15.6	135.4	38.9	41.3	18.9
1978	3.3	48.6	19.8	128.4	56.3	46.8	24.2
1979	4.8	58.2	25.8	145.4	73.9	48.4	32.8
1980	6.2	68.0	24.7	222.8	94.6	53.0	29.2
Central America							
1976	4.6	4.2	6.0	88.2	16.5	11.7	1.9
1977	6.5	5.6	11.5	94.3	16.1	19.1	1.6
1978	4.5	5.9	9.9	106.5	23.9	21.1	1.9
1979	4.0	6.8	9.7	108.4	28.3	25.2	1.6
1980	3.6	10.3	10.1	171.1	48.2	34.2	2.7
Andean Region 3/							
1976	7.4	5.2	10.3	448.2	34.7	17.5	11.9
1977	6.6	25.2	22.4	344.4	44.1	35.8	16.6
1978	9.8	20.9	12.7	434.9	51.5	49.9	16.2
1979	7.8	11.2	13.4	521.6	70.0	20.4	20.4
1980	9.9	15.3	14.5	1,108.2	96.6	102.8	16.4
Other South America							
1976	6.9	0.6	2.5	244.5	8.2	8.5	1.0
1977	8.2	1.0	3.5	91.7	11.8	7.6	0.8
1978	8.4	1.3	4.2	447.5	13.9	9.6	1.5
1979	6.2	1.0	5.6	307.5	24.2	72.1	1.1
1980	12.1	1.1	7.8	642.6	33.9	10.9	3.1
Latin America							
1976	58.7	84.3	48.9	1,009.9	111.0	88.2	35.6
1977	44.2	109.0	64.6	959.8	127.4	169.0	37.9
1978	43.8	93.9	69.1	1,548.7	172.7	159.9	43.8
1979	53.7	105.0	83.6	1,768.4	236.8	222.5	56.0
1980	55.1	133.5	133.0	3,247.1	538.0	300.6	51.5
Western Hemisphere							
1976	117.6	267.3	68.9	1,145.2	615.2	179.1	39.2
1977	70.8	274.3	82.2	1,070.2	676.0	287.0	42.1
1978	83.7	201.9	88.9	1,643.9	789.0	284.3	48.3
1979	83.4	172.2	113.3	1,893.1	893.3	364.7	61.9
1980	96.7	190.6	157.4	3,413.0	1,259.7	429.3	77.5

-- = Insignificant or not available
1/ Columns may not always add because of rounding.
2/ Excludes trans shipments.
3/ Bolivia, Chile, Colombia, Ecuador, Peru and Venezuela.

Sources: Bureau of the Census and Foreign Agriculture Service.

Country	Hides, skins and furskins undressed	Oilseeds, oil-nuts and oilkernels	Natural fibers	Animal and vegetable fat and oils	Other	Total
	---Million Dollars---					
Canada 2/						
1976	64.3	130.5	51.9	36.6	205.9	1,485.1
1977	66.9	140.4	71.8	44.3	220.4	1,534.5
1978	132.5	84.4	67.2	73.8	249.4	1,620.9
1979	218.0	96.5	82.9	50.1	146.8	1,650.0
1980	171.7	116.6	94.7	45.0	258.3	1,851.7
Mexico						
1976	30.5	70.1	0.3	14.1	59.8	369.9
1977	37.2	115.8	0.3	29.9	57.9	664.4
1978	55.1	317.0	5.4	67.5	--	903.0
1979	102.2	173.7	1.0	64.7	13.4	1,023.5
1980	70.1	384.4	--	112.2	228.9	2,490.2
Caribbean						
1976	0.6	8.2	0.5	41.8	44.8	396.7
1977	1.2	16.3	0.9	46.4	54.2	433.0
1978	5.2	21.6	1.0	67.2	57.5	479.9
1979	2.5	22.0	.1	106.5	79.5	599.9
1980	2.0	27.4	--	98.0	109.8	735.8
Central America						
1976	--	1.3	1.9	29.2	23.8	189.3
1977	0.4	2.2	1.2	31.4	29.5	219.3
1978	--	29.4	1.6	33.9	--	236.5
1979	0.2	.8	.8	50.2	30.5	266.5
1980	1.5	5.1	.5	79.0	41.8	408.1
Andean Region 3/						
1976	2.3	15.4	2.4	84.5	51.3	691.1
1977	3.3	18.0	3.5	139.9	80.5	739.4
1978	1.0	184.9	12.6	126.6	14.4	937.6
1979	0.3	269.5	--	186.1	20.4	1,172.2
1980	0.8	19.9	--	253.8	207.0	1,754.4
Other South America						
1976	1.4	0.3	--	84.5	19.4	295.4
1977	9.3	1.0	0.2	139.9	20.0	161.6
1978	3.1	29.8	--	61.5	20.0	600.8
1979	3.2	49.6	21.2	100.5	30.0	621.7
1980	5.9	.9	.4	17.6	47.3	783.6
Latin America						
1976	35.0	95.1	5.1	171.8	198.8	1,942.4
1977	51.5	152.3	6.2	253.0	242.5	2,217.4
1978	62.1	340.2	10.3	356.7	256.6	3,157.8
1979	108.5	192.9	23.2	508.0	325.2	3,683.8
1980	80.4	437.6	5.3	559.8	630.1	6,172.0
Western Hemisphere						
1976	99.3	225.1	57.0	208.4	404.7	3,427.5
1977	118.4	292.7	78.0	297.3	529.3	3,751.9
1978	194.6	424.6	77.5	430.5	511.5	4,778.7
1979	326.5	289.4	106.1	558.1	471.9	5,333.9
1980	252.1	554.2	100.0	604.8	888.4	8,023.7

Table 12.--U.S. agricultural imports by categories from Canada, Mexico, and Latin American sub-regions, 1976-80.

Country 1/	Live animals	Meat and preparations	Dairy products and eggs	Cereals and preparations	Fruits, vegetables and preparations	Sugar, sugar preparations and honey	Coffee, cocoa, tea and spices	Animal feed
	---Million Dollars---							
Canada								
1976	138.0	81.2	4.9	90.8	36.9	28.1	23.1	38.6
1977	136.1	73.0	7.4	59.0	59.1	51.1	58.9	42.3
1978	195.9	108.0	7.6	42.3	69.3	43.2	38.5	45.9
1979	229.5	173.8	9.1	102.0	68.1	50.0	30.3	15.5
1980	226.4	245.8	5.0	125.1	78.5	25.5	38.6	69.2
Mexico								
1976	61.0	32.7	--	3.3	208.5	34.9	291.2	1.7
1977	80.3	38.5	0.1	2.0	360.1	28.4	420.4	1.9
1978	129.8	56.8	0.2	7.2	461.2	32.6	312.1	1.3
1979	93.1	6.4	0.6	10.8	489.4	56.9	448.8	1.2
1980	89.2	.8	0.5	9.9	473.8	20.6	337.9	0.2
Carribbean								
1976	--	10.6	--	0.2	17.6	295.0	162.4	0.2
1977	--	3.1	0.2	0.3	21.0	202.8	299.9	0.2
1978	0.1	4.6	0.3	5.8	26.9	147.8	235.5	0.5
1979	0.4	7.2	0.3	4.7	22.9	205.5	245.9	0.9
1980	0.3	5.0	0.1	6.2	28.3	345.7	163.1	3.1
Central America								
1976	--	132.9	--	--	220.9	226.6	374.5	1.8
1977	--	128.2	0.4	0.2	242.5	175.7	728.3	0.3
1978	0.5	189.5	0.2	0.6	248.7	132.1	602.1	0.1
1979	0.1	296.6	0.3	0.7	16.5	166.3	772.6	1.6
1980	0.3	218.7	0.1	0.9	20.6	350.5	655.1	0.4
Andean Region 2/								
1976	1.3	--	--	0.2	96.9	155.8	645.1	1.6
1977	1.4	0.3	--	2.2	118.2	76.4	935.6	2.9
1978	1.2	--	--	2.5	157.5	64.4	1,207.0	3.
1979	2.3	0.3	--	2.6	50.9	100.1	1,306.7	1.
1980	1.7	0.2	--	3.4	48.6	180.7	1,146.9	0.4
Other South America								
1976	4.7	137.8	7.1	5.9	5.9	66.0	784.1	2.6
1977	3.3	117.2	7.8	8.1	8.1	158.7	1,109.9	3.6
1978	3.3	129.7	10.2	8.2	8.2	274.7	1,212.5	1.8
1979	3.5	204.4	5.9	6.1	201.0	310.8	1,084.9	1.1
1980	2.0	210.4	7.0	3.5	156.3	554.3	1,320.1	0.6
Latin America								
1976	67.0	314.0	7.1	9.6	9.6	777.6	2,257.3	7.9
1977	85.0	287.3	8.5	12.8	12.8	642.0	3,494.1	8.9
1978	135.0	380.6	10.7	24.4	24.4	522.7	3,574.2	7.1
1979	99.1	514.8	7.1	24.8	780.6	839.5	3,858.9	5.9
1980	93.3	435.1	7.7	24.0	727.6	1,451.8	3,623.1	4.8
Western Hemisphere								
1976	205.0	395.2	12.0	100.4	100.4	805.7	2,208.4	46.5
1977	221.1	360.4	15.9	71.8	71.8	693.7	3,553.0	51.2
1978	330.9	448.6	18.3	66.9	66.9	565.9	3,612.7	53.0
1979	328.6	688.6	16.2	126.8	848.7	889.5	3,889.2	63.4
1980	319.9	680.9	12.7	149.1	806.1	1,477.3	3,661.7	74.0

-- = Insignificant or not available.
1/ Columns may not always add because of rounding.
2/ Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela.

Source: Bureau of the Census and Foreign Agricultural Service.

Country	Unmanufactured tobacco	Hides, skins, and furskins, undressed	Oilseed, oilnuts, and oilkernels	Natural rubber	Natural fibers	Animal and vegetable fats and oils	Other	Total
				Million dollars				
Canada								
1976	3.3	39.5	23.7	4.1	--	2.6	85.4	491.4
1977	2.9	72.6	13.1	4.0	0.2	2.7	119.9	672.4
1978	8.0	49.4	6.6	1.7	0.2	2.5	59.2	742.9
1979	15.5	71.9	23.4	--	0.3	4.2	127.9	948.0
1980	11.8	65.3	23.1	--	0.3	3.8	142.8	1,061.2
Mexico								
1976	9.4	--	10.7	--	7.6	2.0	49.0	711.1
1977	11.5	0.1	13.4	--	2.7	2.4	48.3	1,013.1
1978	16.1	0.2	17.6	--	10.3	1.6	57.5	1,104.5
1979	20.3	.09	21.3	--	7.2	1.4	71.9	1,229.4
1980	16.2	0.6	24.1	--	4.7	2.8	77.9	1,059.2
Caribbean								
1976	8.4	0.4	--	--	0.1	0.1	20.4	515.6
1977	8.1	0.6	0.1	0.1	--	0.1	20.7	557.2
1978	7.2	0.7	--	0.1	--	2.4	17.2	449.1
1979	7.5	1.7	--	0.1	0.1	2.4	12.6	512.2
1980	8.8	0.3	--	0.2	0.9	0.3	14.9	577.2
Central America								
1976	9.7	--	9.7	--	--	--	17.2	993.3
1977	14.7	--	7.0	--	--	--	13.1	1,310.3
1978	19.4	.2	--	.1	--	2.4	28.8	1,224.3
1979	17.8	0.4	10.3	--	--	--	289.7	1,572.9
1980	9.3	0.9	9.4	--	--	--	313.0	1,579.2
Andean Region								
1976	2.6	0.2	--	--	13.2	1.0	36.5	954.5
1977	3.6	0.2	--	--	7.2	0.3	40.0	1,188.3
1978	3.8	1.0	--	--	6.7	1.4	59.7	1,507.1
1979	2.9	0.7	0.1	--	5.7	--	210.5	1,683.8
1980	3.6	0.4	--	--	6.0	0.9	224.4	1,617.1
Other South America								
1976	23.6	1.6	--	1.0	13.1	34.6	27.9	1,154.6
1977	29.2	1.5	0.2	0.8	14.0	53.7	21.8	1,599.5
1978	30.6	4.0	0.7	0.2	13.7	51.1	--	1,812.7
1979	42.3	5.8	0.1	0.2	9.4	52.6	35.4	1,963.4
1980	37.4	6.2	--	0.2	6.5	57.9	59.7	2,422.1
Latin America								
1976	53.7	2.2	20.4	1.0	34.0	37.7	151.0	4,329.4
1977	67.1	2.4	20.7	0.9	23.9	56.5	146.8	5,668.4
1978	77.1	6.2	27.5	0.2	26.9	56.5	177.1	6,097.8
1979	90.8	8.7	31.7	0.3	22.5	56.4	620.6	6,961.7
1980	75.2	8.2	33.5	0.4	18.0	61.9	690.4	7,254.9
Western Hemisphere								
1976	57.0	41.7	44.1	5.1	34.0	40.3	236.4	4,929.2
1977	70.1	45.0	33.8	4.9	24.1	59.2	266.8	6,340.6
1978	85.1	55.6	34.1	1.9	27.1	59.0	236.3	6,840.8
1979	106.3	80.6	55.1	0.3	22.8	60.6	748.5	7,909.7
1980	87.0	73.5	56.6	0.4	18.3	65.7	833.2	8,316.4

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, $300

To stop mailing ☐ or to change your address ☐ send this sheet with label intact, showing new address, to Information, Staff, ESS, U.S. Dept. of Agriculture, Rm. 0054 South Building, 14th & Independence Ave. S.W., Wash., D.C. 20250.

POSTAGE AND FEES PAID
U.S. DEPARTMENT OF
AGRICULTURE
AGR 101
FIRST CLASS

U.S.MAIL